Daily Report

Latin America

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FBIS-LAT-89-020 *1 February 1989*

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Cuba

Christian Democratic Dissidents Arrested

PA3101231589 Madrid EFE in Spanish 0507 GMT 31 Jan 89

[Text] Havana, 30 Jan (EFE)—The two leaders of the Cuban Christian Democratic Committee, a new illegal dissident organization, were arrested in Havana, their relatives have reported.

Jorge Luis Becerra and Carlos Novoa, president and vice president of the group, were arrested 3 days ago after their homes were searched, their relatives said.

A few days before they were arrested and taken to the State Security Headquarters in Havana for interrogation, Becerra and Novoa had proclaimed the principles of the committee, which advocates full respect for human rights and political freedom.

Envoy Meets With Vatican's Secretary of State

FL0101032589 Havana Radio Reloj Network in Spanish 0203 GMT 1 Feb 89

[Text] Cardinal Agostino Casaroli, secretary of state of the Holy See, today termed as positive the invitation extended recently by Commander in Chief Fidel Castro to Pope John Paul II to visit Cuba. Casaroli received Cuban Ambassador Manuel Estevez, who paid a farewell visit at the end of his diplomatic mission to the Vatican.

Views were exchanged on the development of bilateral relations. Cardinal Casaroli commented on the statements made by our supreme leader to the PRENSA LATINA news agency in which he extended the invitation to the Sovereign Pontiff. The prelate said this decision is a step forward between Cuba and the Holy See; conditions now need to be created so this visit can take place at the right time.

Gorbachev's Coming Visits to UK, FRG Reported

FL3101152389 Havana Radio Progreso Network in Spanish 1200 GMT 31 Jan 89

[Text] It has been reported in Moscow that the USSR's top leader, Mikhail Gorbachev, will visit Great Britain during the first half of April and the FRG in mid-June.

Raul Castro Marks Censa's 20th Anniversary

FL0101023589 Havana Television Service in Spanish 0100 GMT 1 Feb 89

[Text] Army General Raul Castro, second secretary of the PCC Central Committee, has presided over the ceremony marking the 20th anniversary of the National Center for Agricultural-Livestock Health, Censa, located in Havana's San Jose de las Lajas Municipality. The FAR minister said our commander in chief, Fidel Castro, had conveyed warm greetings to the Censa collective for the 2 decades of work it has contributed to the benefit of the economy.

A greatly emotional moment took place when certificates were presented to a group of workers from this scientific center who have been on the job for 5 to 20 years. Comrades who do not work for the Censa but have helped in its development were also given incentives.

Raul received a certificate to deliver to Fidel. The certificate recognizes his constant concern for the center. A meeting had taken place earlier with Censa founders, who recounted their experiences when the institution was first set up created.

Rosa Elena Simeon, alternate member of the PCC Politburo and first director of the Censa, made the closing remarks.

[Begin Simeon recording] We cannot ignore in a day such as this the guidance given by our commander in chief when he called for proletarian spirit and dedication to work to prevail in this center.

This is something that should be present in the life of a revolutionary scientist. Likewise, modesty should be an inherent quality of the science worker. We cannot allow self-sufficiency, individualism, and scientism to be introduced in our collectives. [applause] [end recording]

Soviet Color TV Sets Available in 1990

FL3101140489 Havana Radio Rebelde Network in Spanish 1800 GMT 30 Jan 89

[Report by Radio Moscow correspondent (Victor Ampilos) from Lvov, Ukraine]

[Text] As of 1990, Cubans will be able to obtain high-tech Soviet television sets which will include such features as remote controls and computerization.

A cooperation agreement was signed by Comrades (Eduard Karadenko), chief of the Lvov electronics plant, and Rene Hernandez, director of the Jose Antonio Echeverria electronics plant.

According to the agreement, in the nineties Cubans will be able to obtain color television sets with remote controls and with infrared rays [as heard]. The television sets will be connected to a microcomputer for direct selection of channels. They will also be able to receive stereo signals and will have other features.

The director of the plant's scientific research center, (Elbo Yuri Mediatov), said that three generations of this type of modern equipment will be manufactured. The first one will be introduced to Cuban industries in 1991.

Barbados

Sandiford Tells Dissident Party Members To Leave

FL0102020689 Bridgetown CANA in English 2339 GMT 31 Jan 89

[Text] Bridgetown, Barbados, Jan 31, CANA—Barbados prime minister, Erskine Sandiford, on Tuesday advised members who were uncomfortable with the ruling Democratic Labour Party (DLP) to leave. The advice came amidst speculation that four DLP parliamentarians would shortly form a political party. The four—former Finance Minister Richie Haynes, Peter Miller, Edgar Bourne and Richard Byer—did not turn up for Tuesday's session of the House of Assembly.

"There is only one Democratic Labour Party in Barbados," Sandiford told Parliament. "No pretenders are going to prevent the DLP from carrying out the task given to it by the electorate." He told dissidents: "Those of you who aren't comfortable in the DLP, we say to you—go."

He said there are two great parties in Barbados and, like the U.S. and Britain, Barbados is basically a two-party system, even though there are some minor ones. He said third parties were heard about for just a few weeks.

Press reports on Tuesday said that the four dissidents would launch their political party this weekend. The other major party here is the Barbados Labour Party.

Dominican Republic

Pena Gomez Says Political Front Needed

FL3101172289 Santo Domingo Tele-Radio Noticias Television and Radio Network in Spanish 0921 GMT 31 Jan 89

[Text] Dr Jose Francisco Pena Gomez has said that in order to defeat President Joaquin Balaguer in the 1990 elections, a political front must be developed. The president of the Dominican Revolutionary Party [PRD] added that the front should include the participation of Lic Fernando Alvarez Bogaert [former PRD vice president] and other political forces. According to Pena Gomez, Jacobo Majluta must ally himself to him to create a front that can defeat President Balaguer.

Pena Gomez considered it a fact that Dr Balaguer will try to continue in office beyond 1990.

47 Haitian Laborers Die in Traffic Accident

Lawyers Denounce Conditions

FL3101184589 Santo Domingo Radio Mil Network in Spanish 1006 GMT 31 Jan 89

[Text] Santiago—Dr (Ramon Antonio Veras Negras) has said that the traffic accident in which 47 Haitians died shows to the world the reality of the illegal traffic of Haitians in the Dominican Republic.

The former president of the Santiago Lawyers Association said that the accident, which occurred on the outskirts of Villa Altagracia, demonstrates the inhumane treatment the Haitians receive when they come to the country to cut cane. It has been demonstrated once again how these foreigners are treated as slaves, he said. It has been determined that each Haitian had been bought for (?25 pesos), added the attorney. He said that the government has much to explain and it should admit its responsibility, if the evidence finds it to be at fault.

Sugar Workers Blame CEA

FL3101194289 Santo Domingo Radio Mil Network in Spanish 1007 GMT 31 Jan 89

[Text] The National Federation of Sugar Workers has reported that it wants to hold the executive department of the Dominican State Sugar Council [CEA] responsible for the death of 50 [as heard] Haitian workers last week. Pedro Martinez Alvarez has said that the CEA authorities should be held responsible for the traffic accident that occurred last Friday on the Duarte Highway. The leader of the sugar workers trade union said that [words indistinct].

[Begin Martinez Alvarez recording] The [words indistinct] should admit their responsibility and be brought before the courts. In addition, our organization is compiling the necessary information to present a document to the ILO which has come to our country on several occasions. [passage indistinct]

They are buying those workers, those youths, (?from) Haitian authorities for the illicit sale of human beings. In view of this situation, we are demanding that their human rights be respected, as well as their right to a decent life. It is not necessary to transport workers in a covered truck to face the consequences of the area. Those accidents will continue to occur because the purchase and kidnapping of Haitian workers continues in border areas. They are transported in those types of trucks and we think that if the situation is not corrected, more regretable accidents like this will occur. [end recording]

* Budget Director Leger Presents 1989 Budget

32480056b Santo Domingo LISTIN DIARIO in Spanish 27 Dec 88 p 14

[Text] Messrs Members of the National Development Council and special guests at this working session,

Distinguished gentlemen:

We submit for the consideration by this National Development Council the Revenue Budget Bill and Public Spending Law for 1989, which has been devised in accordance with the policy of austerity and domestic savings proclaimed by His Excellency, the Honorable President of the Republic, Dr Joaquin Balaguer.

The amount of the bill that we are submitting is 6,358,375,696 pesos, distributed as follows:

General Fund	2,878,539,460
Special Funds	1,780,181,311
External Funds	1,699,654,925
Total	6,358,375,696

Of the budget's total volume of 6.3584 billion pesos, 2.8158 billion pesos, representing 44 percent, would be appropriated for running expenses, and 3.5425 billion pesos, equivalent to 56 percent, for capital expenses. This means that the economic composition of the draft budget that we are submitting is different from that of 1988, wherein running expenses accounted for 58 percent and capital expenses 42 percent.

Of the 2.8158 billion pesos for running expenses, 1.5519 billion will be allocated for the central government's operating epxenses, 650.9 million pesos for public and private contributions, and 558.6 miilion pesos for interest on the foreign debt.

Among the current contributions, the most significant items relate to:

	(In millions of pesos)
Dominican Electricity Corporation	163.4
Town Halls	121.7
Civilian and Military Pensions	115.1
Autonomous University of Santo Domingo	51.3
Subsidies (including private universities)	36.9
Dominican Agrarian Institute	35.0
National Institute of Water Resources	29.0
Social Security Institute	21.4
	573.8

Of the 3.5425 billion pesos for capital expenses, 1.5154 billion will be appropriated for capital contributions to public institutions and enterprises; 574.2 million pesos for "payment of the foreign debt"; and 1.2108 billion pesos for projects construction and agricultural plantations.

The most significant items among the capital contributions relate to:

	(In millions of pesos)
Dominican Electricity Corporation	820.3
National Institute of Water Resources	357.1
Dominican Agrarian Institute	105.5
State Sugar Council	106.5
Special Fund for Agricultural-Livestock Development	53.9
Agricultural Bank of the Dominican Republic	22.6
	1,465.9

From a functional standpoint, the 1989 budget is distributed as follows:

Economic Services	2,565.9	40.4
General Services	1,475.7	23.2
Social Services	1,158.4	18.2
Financial Services	1,158.4	18.2
	6,358.8	100.0

Among these services, the most significant items relate to:

	(In millions of pesos
Public Debt	1,158.4
General Administration	981.9
Energy	898.4
Agriculture-Livestock and Fishing	616.0
Transportation and Local Roads	591.3
Health and Social Assistance	507.6
Education	436.9
National Defense	273.3
Irrigation	203.8
	5,667.6

The distribution of the 1989 budget by secretariats and by funds is as follows:

	General Fund	Special Funds	External Funds	General Total
101 National Congress	15.0			15.0
201 Office of the President	141.9	1,029.4	86.9	1,258.2
202 Interior and Police	169.4	125.1		294.5
203 Armed Forces	345.7			345.7
204 Foreign Relations	28.3			28.3
205 Finance	728.1	597.7	780.7	2,106.5
206 Education	417.3		1.4	418.7
207 Health	344.3		38.5	382.8
208 Sports	13.6	21.9		35.5
209 Labor	6.7			6.7
210 Agriculture	331.4		569.3	900.7
211 Public Works	247.6	5.0	222.8	475.4
212 Industry and Commerce	14.2			14.2
213 Tourism	14.8			14.8
301 Judicial Branch	37.2	1.1		38.3
401 Central Electoral Board	21.4			21.4
402 Chamber of Accounts	1.7			1.7
Totals	2,878.6	1,780.2	1,699.6	6,358.4

It is fitting to point out that the distribution of expenses for 1989 shown in the foregoing table was made with the country's social and economic requirements in mind, but also considering the criteria of streamlining and austerity specified by His Excellency, the President of the Republic.

Hence, the draft budget that we are submitting to this National Development Council today is a real instrument for development, that will enable the government to fulfill its basic mission, which is to guide the Dominican people toward goals of economic and social development. Therefore, we request that the members of this honorable council give it their approval.

Thank you.

Antonio Leger Brito, National Budget Director.

* Budget Exceeds 6.3 Billion

32480056a Santo Domingo LISTIN DIARIO in Spanish 27 Dec 88 pp 1, 14

[Text] Yesterday, at a session headed by President Joaquin Balaguer, the National Development Council heard and approved the Revenue Budget Bill and Public Spending Law for 1989, amounting to 6,358,375,696 pesos, the largest in the entire history of the Dominican Republic.

The largest portion, totaling 2,000,106,500 pesos, is for the Finance Secretariat, followed by the Office of the President of the Republic, which will administer 1,000,258,200 pesos.

Other sizable portions will be received by the Agriculture Secretariat, with 900 million; the Public Works Secretariat, with 475 million; the Education Secretariat, 418.7 million; the Health Secretariat, 382.8 million; the Armed Forces Secretariat, 345.7 million; the Interior and Police Secretariat, 294.5 million; the Judicial Branch, 38.3 million; the Sports Secretariat, 35.5 million; the Foreign Relations Secretariat, 28.3 million; the Central Electoral Board, 21.4 million; the National Congress, 15.0 million; the Tourism Secretariat, 14.8 million; the Industry and Commerce Secretariat, 14.2 million; the Labor Secretariat, 6.7 million; and the Chamber of Accounts, 1.7 million.

The National Development Council Session, which lasted about 40 minutes, took place in the government council hall on the third floor of the National Palace.

The agency's meeting was attended by Vice President Carlos Morales Troncoso; the state secretaries from the different branches of administration; the budget director, Antonio Leger Brito; and the National Planning Office director, engineer Jorge Herrera.

Also in attendance were the governor of the Central Bank, Dr Roberto Saladin Selin, and the Executive Branch's economic advisor, Juan Jose Arteaga.

Brito Explains

During the course of the meeting with government cabinet officials, Leger Brito described the content of the draft budget to be sent to the legislative chambers.

He explained that the legislative proposal had been devised "in accordance with the policy of austerity and domestic savings" maintained by President Balaguer's current administration.

Of the total 1989 budget, 2,878,539,460 pesos would go to the General Fund, a portion representing a 22 percent increase over the amount in fiscal year 1988; 1,780,181,311 pesos would go to special funds, and there would be 1,699,654,925 pesos for external funds.

Leger Brito remarked that, of the budget that has been devised, 3.5425 billion pesos will be allocated for capital investments, a figure representing 56 percent of the total; while running expenses will account for 44 percent, amounting to 2.8158 billion pesos.

The budget director stressed that, in the structure of the new Public Spending Law, the largest proportion will go to the capital investments item, unlike the law executed in 1988, wherein running expenses totaled 58 percent and investments 42 percent.

The running expenses item is broken down as follows: 1.5519 billion pesos to defray the central government's operating costs, 650.9 million pesos for public and private contributions, and 558.6 million pesos for payment of the foreign debt interest.

Austerity Criteria

Leger claimed that the budget had been conceived "with the country's social and economic requirements in mind, but also with an eye to streamlining and austerity" as specified by President Balaguer.

Leger Brito noted in his report that, the largest items in the current contributions were those appropriated for the Dominican Electricity Corporation, namely, 163.4 million pesos; town halls, 121.7 million; civilian and military pensions, 115.1 million; and the Autonomous University of Santo Domingo, 51.3 million.

Special Funds Created

Special funds were also created for subsidies (including those for private universities), totaling 36.9 million pesos; the Dominican Agrarian Institute, 35 million; the National Institute of Water Resources, 29 million; and the Dominican Social Security Institute, 21.4 million.

Of the 3.5425 billion pesos for capital expenses, 1.5154 billion will be used for capital contributions to public institutions and enterprises, 574.2 million for paying the foreign debt, and 1.2108 billion for projects construction and agricultural plantations.

The largest capital contributions to be made are those for the Dominican Electricity Corporation, 820.3 million pesos; the National Institute of Water Resources, 357.1 million pesos; the Dominican Agrarian Institute, 105.5 million pesos; and the State Sugar Council, 106.5 million pesos.

In addition, 53.9 million pesos will go to the Special Fund for Agricultural-Livestock Development, and 22.6 million pesos to the Agricultural Bank of the Dominican Republic.

Economic Services

Leger Brito noted in his report that, from a functional standpoint, the 1989 budget was structured so that 2.5659 billion pesos, equivalent to 40.4 percent of the total, would go to the economic services area; 1.4757 billion, or 23.2 percent of the total amount, to general services; and 1.1584 billion pesos to social services, plus the same amount to financial services, in both instances representing 18.2 percent of the total.

Public Debt

The most significant items among these services are the public debt, with 1.1584 billion pesos; general administration, 981.9 million pesos; energy, 898.4 million pesos; agriculture-livestock and fishing, 616.0 million pesos; transportation and local roads, 591.3 million pesos; health and social assistance, 597.6 million pesos; education, 436.9 million pesos; national defense, 273.3 million pesos; and irrigation, 203.8 million pesos.

According to the bill that has been prepared, 15 million pesos would be appropriated to the National Congress; 1.2582 billion pesos to the Office of the President; 294.5 million pesos to the Interior and Police Secretariat; 345.7 million pesos to the Armed Forces Secretariat; 28.3 million pesos to the Foreign Relations Secretariat; 1.1065 billion to the Finance Secretariat [as published]; and 418.7 million pesos to the Education Secretariat.

Also, 382.8 million pesos would go to the Health Secretariat; 35.5 million to the Sports Secretariat; 6.7 million to the Labor Secretariat; 900.7 million to the Agriculture Secretariat; 475.4 million to the Public Works Secretariat; 14.2 million to the Industry and Commerce Secretariat; 14.8 million to the Tourism Secretariat; 38.3 million to the Judicial Branch; 21.4 million to the Central Electoral Board; and 1.7 million to the Chamber of Accounts.

Following Leger Brito's remarks, other speakers were Roberto Martinez, secretary of finance; Dr Roberto Saladin, governor of the Central Bank; Pedro Pichardo, secretary of education; and agronomical engineer Manuel de Jesus Vinas Careres, head of the Agriculture Secretariat.

In their speeches, they considered the Revenue Budget Bill and Public Spending Law to be an effective instrument for national development, underscoring its suitable distribution.

Grenada

NNP Members Complain of Party Disunity

FL3101232889 Bridgetown CANA in English 2119 GMT 31 Jan 89

[Text] St Georges, Grenada, Jan 31, CANA—Some members of a New National Party (NNP) constituency group have complained of disunity in the ruling party and of the representation by their parliamentarian, Felix Alexander.

The group from the rural St. Marks constituency branch of the NNP noted the leadership battle in the party between Prime Minister Herbert Blaize and Public Utilities Minister Dr. Keith Mitchell at the recent convention. Mitchell defeated Blaize in the election for the top post.

In a prepared statement, the group said:

"We feel strongly that we cannot enter the upcoming elections with the weak and disunited leadership."

Blaize has until March 1990 to call an election, but most people expect him to have an early poll.

The NNP party support group also expressed disappointment with the level of representation by their MP, Minister of State for Finance Alexander. They also noted their right under the party's constitution to recall MP's at any time for delinquency and unsatisfactory representation.

NNP insiders have said that some party members in St Marks have been advocating the replacing of Alexander for the elections by former left-wing activist Malcolm Antoine. The NNP supporters also spoke of being concerned with the high level of unemployment in their constituency and the need to give land to the landless. In addition, the statement referred to their total dissatisfaction with land distribution in St Marks. "We call on the party to ensure that the government immediately implement the land distribution programme taking into consideration land for the landless," it said.

Recent public opinion polls have indicated that the NNP was trailing badly in the St Marks constituency to the opposition National Democratic Congress (NDC).

Haiti

MDN Officials Meet With Visiting Cubans

FL3101151189 Port-au-Prince Radio Metropole in French 1700 GMT 30 Jan 89

[Text] In a press release, the political party Mobilization for National Development, MDN, announces that on Saturday, 28 January, the party was visited by a PCC delegation that is here to participate in the commemoration of the 20th anniversary of the founding of the Unified Party of Haitian Communists, PUCH. For approximately 88 minutes, MDN President Dr Hubert de Ronceray talked to the Cuban delegates, Omar Cordoba Rivas and Manuel Jesus Meredina, about the MDN's history, structure, organization, ideological and doctrinal committment, participation in the Haitian democratic process, original and endogenous experiences, and affirmation of its political personality.

For their part, the Cuban delegates highlighted the great successes of the 30-year Cuban revolution in education, health, and sports. They also spoke of the economic and military difficulties encountered, aggression suffered, mistakes made, and rectification required by the revolutionary process.

They say they hope to improve their relations with the United States of America.

Also present at this exchange of views were: (Max Carres), MDN secretary general, and Dominique Joseph, deputy secretary general for public relations.

Franck Romain Extradition Proceedings Begin

FL3101154189 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 30 Jan 89

[Text] The Ministry of Information and Coordination announces that the complete criminal dossier of Mr Franck Romain has been properly conveyed to the Ministry of Foreign Affairs and Worship by the Ministry of Justice. The diplomatic documents to allow the Haitian Government to immediately begin the procedure for Romain's return to Haiti were prepared and sent out to the Foreign Ministry of the Dominican Republic within the deadlines stipulated in the international agreements. In this way, the Haitian Justice Department can get him back so that Romain can answer normally to the criminal charges against him.

The Information Ministry note says further that Lieutenant General Prosper Avril's government reaffirms its desire to respect justice, and invites all Haitian political sectors to properly respect the law, which is the only guarantee for a society based on the rule of law (?desired) in Haiti. The government also asks that these sectors abide by the prescriptions of the international agreements, which is the only reasonable and responsible thing a nation that is a part of the international community can do.

This note is signed by Anthony Virginie Saint-Pierre, minister.

Said Under Balaguer's Protection

FL3101223089 Port-au-Prince Radio Nationale in Creole 1400 GMT 31 Jan 89

[Excerpts] We have a news report for you from the Dominican Republic which concerns us here in Haiti. The Haitian military government has officially asked, through diplomatic channels, the Dominican Government to send former Port-au-Prince Mayor Franck Romain back to Haiti. [passage omitted]

This news comes from an official communique from Port-au-Prince, of which we have a copy. [passage omitted]

The government said that it was issuing Romain a safe conduct in response to a request from the Dominican Government, while respecting the inter-American agreement on political asylum.

According to the Dominican Communist leaders who recently visited Haiti, Mr Franck Romain is being protected by the government of Dominican President Joaquin Balaguer, who granted Romain political asylum, just as he did General Henri Namphy.

Avril, Groups Discuss Political Issues

FL3101174289 Port-au-Prince Radio Nationale in Creole 1400 GMT 31 Jan 89

[Text] A press release signed by 11 representatives of Haitian political, civic, and union organizations issued on 30 January 1989 announces that a meeting has taken place between the president of the military government, Lieutenant General Prosper Avril, and people representing several organizations. This meeting took place yesterday at the National Palace.

Discussed during this meeting were: the ways and means of 9 February's forum, the creation of an electoral institution, the current high cost of living, contraband, the problem of the section chiefs, and reform of the court system in Haiti.

The delegation also submitted to the government a memorandum in which it discussed certain points related to, on the one hand, the ways and means of the forum and, on the other hand, the creation of an electoral institution to be responsible for organizing elections in Haiti.

This communique is signed by: Schiller Marcelin for OGITH [Organisation Generale Independente des Travailleurs Haitiens, General and Independent Organization of Haitian Workers], Joseph Senat for Federation of Workers Trade Unions, Jean-Claude Lebrun for CATH-/CLAT [Autonomous Organization of Haitian Workers affiliated to the Latin American Central Organization of Workers], Serges Gilles for Panpra [Nationalistic and Progressive Revolutionary Party of Haiti], Marc Bazin for MIDH [Movement for the Establishment of Democracy in Haiti], Joseph Maxi for the Haitian Human Rights League, Arnold Antonin, Jean-Claude Roy, Gerard Gourgue, Leopold Berlanger Jr for IHRED [International Research and Development Institute of Haiti], and Dejean Belizaire for MNP-28 [National Patriotic Movement of 28 November].

Thus, this delegation had a big meeting with the president of the military government, Lt Gen Prosper Avril, yesterday, Monday 30 January 1989, during which they discussed many points of great current importance in the political life of Haiti.

Antigovernment Demonstration in Petit Goave

FL3101214789 Port-au-Prince Radio Metropole in French 1700 GMT 31 Jan 89

[Text] There is an antigovernment demonstration in progress in Petit Goave. Our correspondent says a few hundred people are demonstrating—mostly street vendors and small merchants and people accustomed to participating in the activities of the port of Petit Goave. The demonstration is against the government and against anti-contraband measures the government has just recently taken.

[Announcer switches to Creole] There is a demonstration going on right now in Petit Goave. Our correspondent has told us that the demonstration caused a certain amount of disorder in Petit Goave and parents rushed to take their children out of school. Also, the public offices shut down. City hall and the court of conciliation in Petit Goave were closed during this demonstration.

Christian Group Urges Solidarity With Aristide

FL3101161789 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 27 Jan 89

[Excerpts] A delegation of Christians from (?the country's) eight dioceses during a news conference yesterday called for solidarity with Father Jean Bertrand Aristide, saying that through such solidarity, solidarity among all the forces that really, truly, desire change in Haiti would thereby be achieved.

A six-man Christian delegation representing the eight dioceses held a news conference today, Thursday [26 January], on the crisis the Church is traversing, particularly in connection with the matter of Father Jean Bertrand Aristide, who has been booted out of the Salesian Order. [passage omitted]

They went far back in history to explain Father Aristide's position. They said he was one of the priests struggling to get the slaves of today living in the four corners of Haiti out of the extreme poverty in which they live. They said

that Father Aristide's commitment was not (?an arbitrary commitment) but rather stems from the essence of the Gospel, from what the Church says.

[Begin recording of unidentified speaker] The Church has been saying for the past 10 years that it has clearly chosen to stand with the poor, with those who are repressed and mistreated. And Father Titide's [affectionate nickname for Father Aristide] commitment is related to this choice to take the side of the poor. This is the same choice we find in the theology of liberation. This is what the theology of liberation actually is—this choosing to take the side of the poor. [passage omitted]

The Pope himself acknowledges the importance of the theology of liberation in Latin America—because the situation of the Latin American masses is an inhuman situation. God, since He is a God of life, cannot stand to see this. Therefore, the Church is committed to the liberation of the masses. So therefore, Father Titide's commitment is totally in keeping with the commitment of the very Church itself! [end recording]

The representatives of the eight dioceses at the news conference spoke of the need for unity in the camp of the people who have chosen to defend the poor. In order to defend the poor and basing themselves on the people's fundamental demands—such as Creole pigs and land for the small peasant farmers, an improvement in the workers' conditions, and so forth—they invited everyone who wants to see some good done for those who are suffering to mobilize and create unity in their camp on the basis of the case of Father Jean Bertrand Aristide.

[Begin recording of unidentified speaker] (?Get) together so that (?you) can fight to have Father Aristide be allowed to stay in the Church, remain in the Church as a prophet—so that he can continue his work (?of) prophet, so that he can continue his God-given mission, a mission that is correct, that is in conformity with the Gospel.

Today we have to struggle. We have to take much action in solidarity, so that Titide can stay and carry out his role within the Church. As regards this action in solidarity, a number of initiatives have already been taken. Among them is a petition that the Papaye Peasants Movement, the MPP, has begun circulating. Not only peasants but all the Haitian people may sign this petition to show that the work Titide is doing with the peasants is the work of the Gospel.

The priests have begun circulating a petition. Titide is a priest. Priests preach solidarity and love. Now we will see which priests love truly. Those who do will show their solidarity with Titide, will struggle together with Titide, so that he can remain a priest within the Church. Thus, a letter is being circulated among the priests. There is also a petition for professionals. [passage omitted]

The young people of Saint Jean Bosco, with whom Titide was working and with whom he lived, have also begun circulating a petition.

This is a chance for everyone who wants this country's situation to change, who does not want this country to perish, to prove it and to create the unity of the people's camp, based on this concrete thing, based on Titide's battle to stay in the Church, based on all these demands that we just talked about. Unity can be built around these things. Unity cannot be only in the mouth, only words. [end recording]

MJL Denounces Government Inaction on Massacre

FL3101143889 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 30 Jan 89

[Text] The Labadie Youth Movement [MJL], a member of the Coordinating Body of People's Organizations of the Artibonite, informs national and international public opinion in general, and the human rights and people's organizations in particular, that a delegation of MJL members and relatives of the victims of the 14 August killings that met with Justice Minister Gilbert Austin back on 25 October has done everything the minister asked it to do. The members of the delegation filed three complaints at the Ministry of Justice and with the department of the Public Prosecutor in Saint-Marc. A 15- or 20-member group of them went before the representative of the Department of the Public Prosecutor in Saint-Marc to identify who they had seen shooting on 14 August. Despite this, they say, the Justice Department has never taken any serious action.

Lieutenant Maxi Maxim, commanding officer of the military subdistrict of Petite Riviere de l'Artibonite, has blocked all the Justice Department's timid attempts to arrest the murderers. Not a single one of them has been arrested.

This same commanding officer has given order to (Presomdieu Mitus), the section chief of the 6th communal section (?of) Petite Riviere, not to allow the MJL members to hold meetings in the area called (Gerin). In the fourth communal section of Petite Riviere, section chief Yvon Simeon 8 days ago arrested MJL member (Asnay Dormil) and two other peasants without a warrant, on the pretext that they had killed the cow of a big landowner. These people have to this day never been sent to court.

In the third communal section, commanding officer Maxim has ordered section chief (Esperance Charles) to stop anyone who decides to provide testimony in court on the Labadie massacre.

Peasants Demand Removal of Section Chief

FL3101161189 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 30 Jan 89

[Excerpts] (Jaurel Jean-Baptiste), a criminal section chief in (Beau Champ), (?communal section of) Mahotiere, is giving area residents a very difficult time. On Tuesday, 17 January, he sent 17 police assistants without a warrant to arrest a citizen named (Sinquira Fleuranvil) because of an argument this citizen had had with another person.

When (Sinquira) arrived at the post, (Jean-Baptiste) beat him, dealing him several blows to the head. (Sinquira)'s father, who saw this and was unable to remain aloof, also got beaten. He died a few days later. (Sinquira) also had to pay to be released. [Passage omitted]

Here are the decisions reached by 500 peasants. They say that Prosper Avril must remove (Jean-Baptiste) as section chief for the area. (Jean-Baptiste) must give back all the money he has stolen from the small peasant farmers. They also ask that he be tried for all the arbitrary acts he has committed against the peasants—from the time he arrested 40 peasants from Beau Champ on the 1st anniversary of the Constitution of 1987 to the present. And if Prosper Avril and the commanding officer of Port-de-Paix do not satisfy their demands, they say, everything that happens in the seventh section of Mahotiere will be the responsibility of Avril and the commanding officer; the Army had better not say that they are taking the law into their own hands or disturbing the public peace!

Jamaica

Party Leaders Trade Comments About Violence

FL3101123389 Bridgetown CANA in English 1515 GMT 30 Jan 89

[Text] Kingston, Jamaica, Jan 30, CANA—Prime Minister Edward Seaga, blamed by his opponents of undermining the peace process with inflammatory statements, Sunday night accused the opposition People's National Party (PNP) of hatching a plan to "unleash" major violence ahead of general elections here on February 9.

"We know that they are planning," Seaga told supporters in the Parish of St Catherine, just west of Kingston, where a number of skirmishes have broken out between supporters of the PNP and the ruling Jamaica Labour Party (JLP).

Prior to Seaga's charge, PNP leader Michael Manley, had called for clearer guidelines between the parties on how they report incidents to the press. And earlier Sunday, Manley told reporters that Seaga and the JLP were not playing by the rules of the political code of conduct, with frequent public statements of alleged political violence against them. "We are witnessing a complete betrayal of the peace process," Manley said.

"It was important from the start there be an atmosphere of trust," Manley said. "And if trust was to be maintained, it was important that we should deal with each other and not run to the press every time there was a problem. This could only heighten tensions, to say nothing of undermining trust itself."

However, [Seaga] questioned Manley's commitment to peace and charged that the PNP had targetted seven mainly rural highland constituencies for violence.

Seaga said the constituencies had been chosen because close contests were expected in them and the PNP wanted to ensure that JLP supporters were frightened away from voting.

Through this, he argued, the PNP was hoping to swing in its favour what was expected to be an overall close election.

Declaring that he had made the statement because he was sure of his information, Seaga said: "If I have to apologise to Michael Manley after the election, I will."

Seaga and Manley last August signed a political code of conduct as a framework for their campaign, hoping to prevent the level of violence of the last contested election in 1980 when hundreds died.

The agreement is policed by a special ombudsman, who is to determine political blame for matters referred to him; but the broader agreement supposed that much of the problems would be cleared by an inter-party committee.

However Manley has charged the JLP of too frequently by-passing the committee, going to press with allegations which were often not true.

Manley at his Sunday press conference pointed to the "totally unsubstantiated story" released by a JLP candidate last week that a car in which Seaga was travelling from a St Catherine meeting Friday night, was shot at.

Police did not confirm the shooting, though they said that a car in which Seaga was traveling was stoned.

The Police Information Centre (PIC) also did not confirm a charge by Minister of State for Information Olvia "Babsy" Grange that she and Seaga were shot at while campaining in a Kingston Constituency on January 23.

Manley, expressing his firm denounciation of the incidents that have taken place, criticised the "distortions of the truth" and said that both sides should discuss with the ombudsman set procedures for their public statements.

Despite the increasing incidence of violence since Seaga announced the election date on January 15, observers note that the peace has held relatively well, especially compared to 1980.

More than 500 of the over 800 killings here in 1980 were attributed to political violence.

Last week a fire-bomb was reportedly thrown at a truck injuring six JLP supporters, and Seaga accused the PNP of being responsible for the rise in violence. He said that Manley could not "control" his supporters.

Manley called the alleged attack "dastardly and wicked," but PNP officials now claim that their investigations raise questions as to whether the truck was attacked.

Opposition Party Reports Seaga to Ombudsman

FL3101233889 Bridgetown CANA in English
2203 GMT 31 Jan 89

[Text] Kingston, Jamaica, Jan 31, CANA—Jamaica's opposition Peoples' National Party (PNP) said Tuesday that it had reported Prime Minister Edward Seaga to the ombudsman charged with policing the peace pact aimed at containing election violence here.

The PNP said that Seaga had breached the accord he and opposition leader Michael Manley signed last August with a charge Sunday night that the PNP was planning "massive campaign of violence" to climax on the February 9 election day.

The PNP said that Seaga's allegation was "intemperate and inflammatory" and could only undermine the peace process that PNP and Seaga's Jamaica Labour Party (JLP) had attempted to engender by signing the electoral code of conduct.

"We are perturbed that Mr Seaga should make such a claim without bringing the evidence to the attention of the police and yourself," PNP general secretary, Paul Robertson, said in the complaint to the ombudsman, retired judge, James Kerr. Kerr is charged under the agreement to determine breaches of the police code of conduct and apportion political blame for acts of violence in issues that cannot be settled by an inter-party committee. Kerr this month censured Manley for remarks late last [as received] threatening to lead his supporters to JLP offices if they did not get a fair share of relief after Hurricane Gilbert last September. Although Manley did not call for violence, his remarks could have been misinterpreted leading to a breach of the peace, Kerr contended.

In a campaign speech Sunday Seaga said that the PNP had perpetuated fraud by signing the accord, and claimed that the opposition party had planned violence in seven rural and hilly constituencies where they expected a close contest.

PNP officials claim that Seaga and other JLP spokesman have been undermining the accord with frequent statements of its weakness and allegations against the PNP. This was the latest in the series of such actions, PNP officials charge.

The opposition party said that despite Seaga's allegation the inter-party committee had met on the same Sunday as his allegation and there was "no hint from the JLP members of the committee about this alleged problem."

El Salvador

Popular Union Proposes Counterproposal to Duarte

PA0102034789 San Salvador Radio Cadena YSU in Spanish 1800 GMT 30 Jan 89

[Report by David Marciano Rivas]

[Text] The Popular Union [UP], a coalition of three Salvadoran conservative political parties, has presented to President Jose Napoleon Duarte a proposal in response to the the peace proposal unveiled last week by the FMLN. The document is signed by the Liberation Party [PL]; the Salvadoran Authentic Institutional Party, PAISA; and the Salvadoran Popular Party, PPS. Hugo Barrera, presidential candidate for the UP coalition, personally presented the document to President Duarte during a meeting of several political parties at the Presidency this morning. UP presidential candidate Hugo Barrera read a portion of the document when presenting it to President Duarte:

[Begin Barrera recording] 1. The last five elections have clearly shown that democracy and the democratic process, which began here in 1982, have been accepted by the great majority of Salvadorans. Their acceptance was confirmed when, with the start of registration in 1987, more than 1.5 million Salvadorans of voting age voluntarily signed the electoral lists.

This determination and expression of support for democracy was reaffirmed when identification cards were issued. Registered Salvadorans once again minded the call of the parties and acquired electoral identification cards, which a great majority used for voting in the 1988 elections. Today, more citizens have acquired identification cards to vote in the 1989 presidential elections.

2. This example of the free expression of the Salvadoran will is the most compelling evidence of their acceptance of democracy and the electoral process; they clearly understand that free elections constitute the path that will gradually lead us to a better democracy and to peace—as long as all political parties participate in the process. We must also reject with our hearts and minds those actions that have been rendered unjustifiable by the democratic opportunities we have, even though they may not be perfect.

3. The economic and political dependence caused by the war obliges us all to understand that only by being united, cooperative, and conscious of our future will we be able to face that dependence and all the social needs afflicting our people. Without the resources that only we can generate, those needs will never be met.

4. Imperfections in our young democracy will decrease as social and political maturity develops, if we all participate.

5. Premeditated actions against the human and political rights of the Salvadoran people are better dealt with by peaceful and legal means. Our protests, even the most vigorous ones, should be conducted legally to prevent physical and material harm to our people.

6. The present international situation in which conflicts are being resolved by rational means forces us to realize that we must achieve the peace that we long for in the same way.

Therefore the UP, clearly motivated by patriotism, having resolved to end the war and the people's economic and social deterioration, and convinced that we must irreversibly reinforce the foundations of democracy, proposes:

A. Immediate suspension of all acts of violence; respect for the lives of citizens; respect for the rights of association, speech, and peaceful demonstration for all political and people's groups; and absolute respect by the Armed Forces for the electoral activities of all parties.

B. Formal commitment of all political parties and their allies to become genuine defenders of the people's will as expressed in the 19 March 1989 elections.

C. Respect for the current Electoral Code by the Legislative Assembly, political parties, and other sectors.

D. Implementation of the necessary legal mechanism to allow, as soon as possible, Salvadorans living abroad to cast their votes in diplomatic missions or other appropriate places, so that their votes can be legally included in the electoral process [cuerpo] as mandated by Article 8 of the current Electoral Code.

E. Rejection of the meddling of democratic or nondemocratic governments and countries in our electoral affairs. Moreover, that the FMLN publicly commits itself to the following:

1. A total freeze on military action throughout the entire nation 30 days before and 30 days after election day.

2. Respect for all citizens who are directly or indirectly involved in electoral activities and the components of legally recognized electoral organizations and institutions.

3. Respect for and acknowledgment of municipal authority because it is the product of popular will expressed through the 1988 elections; respect for other elected officials or appointees.

4. Respect for the participation of all Salvadorans in the elections while encouraging its own supporters to vote for the Democratic Convergence candidates.

5. Acceptance of the legitimacy of Salvadoran democracy and the electoral process and timely acceptance of its outcome. [end recording]

That was part of the text of a document presented this morning by the UP coalition composed of the three parties, PAISA, PL, and PPS, to President Jose Napoleon Duarte during his meeting with several political parties this morning at the Presidency.

To complement the proposal, the UP proposes the following option: Should the FMLN, for the sake of genuine peace, decide to lay down its arms before the elections, there would be immediate efforts to promote a dialogue among the appropriate organizations and the FMLN for reaching an agreement—in the national interest and in accordance with the Constitution—to postpone the elections until September 1989. The necessary accords would be adopted to ensure that no political party runs candidates in the 19 March elections. Then the Legislative Assembly would appoint an individual to rule for the appropriate period of time as the provisional president of the Republic.

Finally, the document states that the UP calls on all FMLN commanders to respond clearly to this proposal and expresses its determination to promote the proposal with the sole aim of achieving genuine peace with liberty and democracy in El Salvador.

Duarte Reaction to Proposal

PA0102043089 San Salvador Canal Doce Television in Spanish 0312 GMT 1 Feb 89

[Report by Marco Antonio Guevara—passages within quotation marks recorded]

[Text] President Jose Napoleon Duarte pointed out today that the FMLN should clear up some points in its proposal so it will not be interpreted as a trap but as a peace proposal. The president made the statement after he dedicated a housing complex in San Salvador. He also said the government will soon announce a final report on the murder of Msgr Romero.

"The FMLN should reconsider its proposal and make it more clear and specific so it will not be interpreted as a trap. Each point in the proposal is linked to another in such a way that what is really being said cannot be determined. For example, when they refer to the attacks on the mayors, one does not understand if they are saying they will no longer attack the mayors. Therefore, one cannot understand if they are really offering something specific, or if they are setting conditions for everything. That is why I believe it would be very good if they cleared this up."

The Salvadoran president also referred to last week's foiled attack on the Presidential Palace. He called it an example of how the guerrillas' actions do not match their peace proposal.

"The risk I take is that they might kill me. The guerrillas are talking about peace, but they are throwing bombs to kill. When they threw bombs at the Defense Ministry, I told myself I was next, and that is what happened. Fortunately, someone who was passing by noticed there was a pickup truck filled with fruit but with [words indistinct]. He warned us, and we sent the police to defuse the explosives. There were three bombs [words indistinct]. The bombs were supposed to land while I was receiving people in my office."

On the other hand, the Salvadoran president said his government will shortly announce the results of the investigations of the Msgr Romero case. Duarte said that in view of the failure to establish what he called the legal truth, the people should learn the moral truth of the case.

"We are about to solve the case of the death of Msgr Romero. We even have a composite sketch of the person who shot him, and we have fully identified the driver of the vehicle. I understand all of this will be announced within the next few days, even though we have not been allowed to let the key witness, Saravia, testify."

President Duarte made these statements after he dedicated the Francisco Menendez housing project in San Salvador's Modelo neighborhood. The project has been built with AID funds that were part of the international relief aid received following the 1986 earthquake. This building has 92 apartments, and it ends the myth that there is no adequate housing for less than 30,000 colons in San Salvador.

Vencermos Commentary on FMLN Proposal

PA3101194889 (Clandestine) Radio Venceremos in Spanish to El Salvador 0035 GMT 25 Jan 89

[Station commentary: "A Proposal To Settle the Conflict"]

[Text] The FMLN's maturity and political will, expressed in the proposal that was issued by our general command, has undoubtedly been proved and is the most discussed topic in our country's political sector. The proposal, as stated by various groups and the media, is not only a realistic and viable alternative to the current situation, but also a proposal that undeniably allows the beginning of an irreversible process to settle the conflict.

It is truly necessary to postpone the 19 March elections. We are about to witness a violent social explosion because the lower classes are being strangled by the economic crisis, repression, insulting Yankee intervention, lack of a true democracy, and lack of government representatives who fulfill the Salvadoran people' needs.

The elections that the government is trying to hold will not solve the people's needs. The government is trying to hold the elections under such conditions that they will be rendered illegal. Hence, the FMLN has clearly rejected

them. The elections are not a mechanism to settle the conflict; quite the contrary, they will worsen the country's critical and chaotic situation.

So far, elections have only provoked an irresolute confrontation concerning the electoral law and revealed the undeniable fraudulent goals of ARENA [Nationalist Republican Alliance] and the Christian Democratic Party, which are not only fighting for the people's votes but also tearing at each other's throats to win the U.S. Administration's favors.

In truth, none of the past elections have solved the people's problems or settled the conflict because they have been used as part of a counterinsurgency plan. Therefore, elections never resulted in the election of a political, economic, and social program that would solve the country's problems. Our people know this perfectly well because unemployment, low salaries, closure of work places, and repression have been the same—or worse. The people reject the elections because they do not believe in them. This is clearly ascertained in all the polls.

The FMLN's proposal is realistic, perfectly viable, and specific: The elections must be postponed until there is a framework that allows them to become an instrument that helps attain a political solution to the conflict; establishes the minimum conditions so the elections are no longer a farce; and immediately stops murders, arrests, and repression of demonstrations, strikes, and the popular movement's activities in general.

The Army's troops must be restricted to their barracks on election day and the Armed Forces must fully respect the political parties' activities. The Democratic Convergence should be allowed to join the Central Electoral Council, and a trustworthy and politically honest supervisory council must be created. An electoral code must be approved by consensus among all the political parties and, of course, the United States must not interfere in the electoral process.

It did not take long to get reactions to the FMLN proposal—members of the U.S. Senate and members of the Salvadoran lower classes stated their favorable reaction. The regime has insistently stated year after year that the FMLN does not participate in elections because it is afraid the people will reject it at the ballot box. Well, we clearly say that—under different conditions—we would win with votes what we can win with our weapons.

We know, without a shadow of a doubt, that we represent the political majority in the country. This has been the formidable source of our forces' strength throughout many years of war against the war machine of the Reagan administration and its puppet Army. We say that we want the government to accept our challenge because we know the working people will undoubtedly win without fraudulent elections—and the working people are the heart and strength of the FMLN.

Let us turn the elections into the means to establish a new government that is the result of the people's choice and allows a political solution to the conflict. We have never been afraid of the elections because we are the legitimate expression of the people's desire for justice, bread, land, work, and freedom for the working people.

We want to see if it is true that those who have frequently said otherwise are now willing to accept, without fraud, the people's legitimate vote for the program that best represents their interests. We can talk like this, and issue this reasonable proposal, because of the progress and power achieved by the people in their daily struggle, mobilizations, and strikes. We can issue this proposal thanks to the heroism of all the FMLN fighters and the people's invaluable sacrifice [words indistinct].

We have issued a reasonable and feasible political proposal that would allow the Salvadoran people to begin the search for a political solution to the Salvadoran conflict. All the people must mobilize; all the people must increase their struggle for a true democracy, for a democracy without repression, for a democracy without Yankee intervention, and for elections that will help attain a solution to the people's problems. All the people must join the struggle! All the people must mobilize for a true democracy!

FMLN Reports Activities, Army Casualties

20, 27 Jan Actions

PA3101154489 [Editorial Report] (Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 2300 GMT on 28 January carries a 3-minute report by the FMLN's Feliciano Ama Front, which notes that an FMLN ambush on 27 January inflicted 25 casualties on 2d Infantry Brigade troops headquartered in Santa Ana. The casualties were inflicted by means of two Jose Arce mines that exploded under a military truck heading for Santa Ana.

The announcer adds that in two other attacks in the same region—this time on National and Treasury Police units on 20 January—in Metapan, Santa Ana, FMLN forces inflicted eight casualties on the police units.

22-29 Jan Activity

PA3101154289 [Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 30 January carries two reports, lasting about 7 minutes, of FMLN attacks between 22 and 29 January.

The first report summarizes actions between 22 and 28 January:

"The FMLN inflicted 167 casualties on the Army; 50 of the casualties were inflicted in 8 [words indistinct] ambushes; 25 casualties were inflicted using mines; and

96 casualties were inflicted in various skirmishes [numbers as heard]. Among the casualties there is a lieutenant, three noncommissioned officers, one corporal, and two radio operators. We damaged one helicopter, partially destroyed one patrol vehicle, and destroyed six military vehicles."

The report continues by listing the result of "sabotage operations." "We destroyed five National Administration of Waterworks and Sewers trails, two soft drink delivery trucks, four fruit and vegetable delivery trucks in San Salvador [words indistinct], one poultry delivery truck, and one amusement center in Escalon neighborhood. We damaged Defense Minister Vides Casanova's residence, and the residence of Lieutenant Eduardo Menjivar in San Salvador."

The report then lists materiel seized by the FMLN fighters: "4 M-16 rifles, 1 M-60 machinegun, 2 M-79 grenade launchers, 1 TRT-77 radio, 17 knapsacks, 2,000 cartridges [words indistinct], 8 grenades for M-79 grenade launchers, and 6 sets of military gear."

The report lists other sabotage actions: "We destroyed 31 electric towers, we damaged important crops for the economy such as coffee and sugarcane plantations, and we sabotaged a National Administration for Telecommunications office."

Finally, the report notes that "actions by San Miguel Insurrectional Detachments included occupation of several radio stations."

A report from the Anastacio Aquino Paracentral Front states, "At 1100 on 29 January, an FMLN guerrilla unit ambushed a military truck transporting National Guard troops from Ilobasco to San Isidro. The ambush took place at [words indistinct] km from San Isidro. The ambush resulted in 20 casualties inflicted on the National Guard, and the truck was totally destroyed."

Army Acknowledges Attacks

PA3101143489 San Salvador Canal Doce Television in Spanish 0300 GMT 31 Jan 89

[Report by Ernesto Rivas]

[Text] The guerrillas carried out simultaneous attacks on six villages in Chalatenango Department at midnight yesterday, leaving six soldiers dead and nine injured. The FMLN, on the other hand, said Army casualties were higher than what was officially reported. Colonel Ciro Lopez Roque emphasized these were not big attacks, but rather they were harassments that caused more damage to the civilian population.

The 4th Infantry Brigade commander said the only heavy attack was to the La Laguna Military Base, where at least 250 guerrillas participated, of which 16 were killed and 20 injured:

[Begin 4th Infantry Brigade commander recording] The fight was tough. We calculate there were at least 250 guerrillas. The northern, eastern, and western parts of the village suffered a lot of damage. Two houses belonging to civilians were totally destroyed and three were partially destroyed. I was also able to verify that the guerrillas had catapults with explosives that they had not been able to launch. [end recording]

The villages that were attacked for about 6 hours were La Palma, La Laguna, San Ignacio, El Poy, Dulce Nombre de Maria, and Concepcion Quezaltepeque. At this last village, the guerrillas burned down the mayor's office and the National Administration for Telecommunications facilities.

The FMLN said they had captured several Azmitia Battalion soldiers and seized a lot of war materiel.

Col Lopez Roque said that during the latest operation carried out by 4th Infantry Brigade troops between 9 and 23 January, they inflicted 74 casualties to the guerrillas. Col Lopez added that three of the dead were guerrilla commanders and one other who was captured had Soviet-made arms.

Rivera Homily Cites FMLN Proposal, Attacks

PA3101192789 San Salvador La Voz Panamericana in Spanish 1400 GMT 29 Jan 89

[Homily by Msgr Arturo Rivera y Damas, Archbishop of San Salvador, at the Metropolitan Cathedral in San Salvador on 29 January—live]

[Excerpt] [Passage omitted] We have just experienced one of the most contentious and active weeks in recent times because of the wide range of reactions to the FMLN's political proposal.

The week has also brought two violent incidents that presumably represent a qualitative leap in the armed conflict. This is how we view the murder of Usulutan Governor Ernesto Flores and the bombing of the home of the defense minister's mother. The FMLN has claimed credit for both actions, and we condemn them very strongly.

The FMLN's proposal asks for a postponement of the elections and pledges in return to accept the results of the electoral consultation. Many, including myself, regard this proposal as a substantial shift in the guerrillas' position, but it has not yet received enough support. As a pastor and mediator between the parties in conflict, I would like to offer some reflections.

Above all, it is worth remembering that the FMLN General Command's document is a political proposal for politicians. It therefore requires a political answer. This means that this proposal has unacceptable points—

points that provide the basis for a counterproposal. Consequently, it is advisable to leave the door open and to continue looking for peaceful paths toward an end to the war.

The national picture has been darkened by other worrisome developments. One is the campaign of accusations against Church people based on a publication that should be read in a critical vein and with an honest sense of history. Otherwise, it would be easy to go from accusations to threats and, God forbid, to violent attacks.

The violence by members of the Civil Defense resulted in the killing of a young man, Raul Alfredo Crestin Penate, Friday in (Cayaque). There are many witnesses to the murder, as can be seen in the Legal Assistance Office's reports. Even the identification card number [cedula] of the murderer is known. We ask for justice in this case. These are the bitter fruits of the armed conflict that destroy values, take away lives, and sow mourning everywhere, particularly in the humble homes of El Salvador. We cannot accept this situation passively or let our arms drop and slide toward fatalism.

The power of reason must prevail over force, and love must definitely defeat the forces of hatred. This is what we, without dismay, will continue asking the Lord. We also offer Him our arms so He may turn them into tools to build His peace in our dear homeland. So be it. [passage omitted]

Economic Experts Predict Weak Economy in 1989

PA3101163689 Panama City ACAN in Spanish 2207 GMT 28 Jan 89

[Text] San Salvador, 28 Jan (ACAN-EFE)—According to economic experts, the war in El Salvador, the trade deficit, and the lack of agricultural and industrial investment will lead the country's economy to "a highly delicate, weak state" in 1989.

Even though economic predictions vary, all of the segments of Salvadoran society seem to agree that the country's economy—which only grew .9 percent in 1988 compared to 2.6 percent in 1987—will not recover significantly in 1989.

The primary obstacle standing in the way of economic recovery is the national budget. Almost a month into 1989, the $804.8-million budget—which is $103 million more than the 1987 budget—has not yet been approved.

According to Finance Minister Ricardo Lopez, the Salvadoran guerrillas' sabotage actions are putting the country in a "very difficult" situation. The rebels have intensified their campaign to weaken the government's economy during the past several months by staging transportation stoppages, destroying electrical systems, and restricting and burning crops in areas of conflict.

Lopez added: "The guerrillas are bent on attaining power by imposing their conditions. We must therefore invest in the defense of democracy." He thus justified the government's defense expenditures, which account for over one-fourth of the national budget.

This means that the Salvadoran Government intends to set apart almost $200 million of the budget for defense, while only alloting 14.2 percent of the budget to education and 7.4 percent to public health.

The right-wing opposition, which holds a majority in the Legislative Assembly, is opposed to the budget because it is "inflationary and full of technical errors."

Juan Hector Vidal, director of the Salvadoran Foundation for Economic and Social Development (FUSADES), described the budget as "not viable, because it is highly unfinanced."

Vidal stated that the 1989 fiscal deficit will amount to $240 million, $115 million more than the 1988 deficit.

Vidal said: "If we do not arrange financing by means of foreign credit, and if public spending is not reduced, El Salvador is in danger of entering a large-scale inflationary process. We are facing the most unfinanced budget in our country's entire fiscal history."

According to FUSADES, the deterioration of the Salvadoran economy has been caused by the armed conflict; the government's erroneous introduction of reforms in foreign trade, banking, and agriculture; adverse weather conditions; and extraneous factors, such as export prices of traditional products.

Javier Ibisate, Economics Department chairman at Jose Simeon Canas Central American University, said it is becoming less and less possible for the state "to find the way of setting aside capital for investment, because all of the budget is swallowed up by the war."

"In El Salvador, war determines the major economic variables," Ibisate said. For example, he added, over 60,000 human lives have been lost, and the 70,000 men involved in the war (between the Army and the guerrillas) "could be involved in production."

Ibisate concluded: "El Salvador's economy is very discriminating. It is an economy in which almost 70 percent of the population does not have a fixed income and over 50 percent of the population lives in extreme poverty. Meanwhile, prices have skyrocketed and workers' salaries have plummeted to the ground."

Nicaragua

Ortega Addresses National Assembly on Economy

PA3001233589 Managua Domestic Service in Spanish 1730 GMT 30 Jan 89

[Speech by President Daniel Ortega at the National Assembly in Managua—live]

[Text] Nicaraguan brothers, we are gathered here this morning to [2-minute break in reception]

The economic measures we had been applying during the last few years and up to 20 January 1989 were in direct response to the aggression carried out by the government headed by former U.S. President Ronald Reagan against our country.

From 20 January 1981 to 20 January 1989, we suffered the cost of an aggression that killed or wounded 57,357 Nicaraguans. If the United States had experienced a similar aggression for the same number of years—in other words, for 8 years—it would have had over 4 million war victims.

Of the 57,357 Nicaraguan war victims, 29,103 were killed. If the United States had experienced a similar war—that is, instead of having been the aggressor, as it has been during the last 8 years, if the United States had been the one under attack—2 million U.S. citizens would have been killed. That gives us a very clear idea of the dimension of the aggression the Nicaraguan people have experienced.

You, who are representatives elected by the people to draft, develop, and consolidate laws and an institutional order, know very well how to assess the meaning of the International Court of Justice [ICJ] ruling. That ruling fully confirms that the causes of the social, economic, and political problems Nicaragua has been experiencing during the last 8 years were caused by the U.S. Government's aggressive, illegal, and warmongering policy. The ICJ ruling was very clear. It condemned the U.S. Government.

The damage that the U.S. policy of aggression inflicted on the Nicaraguan economy totals more than 12.3 billion cordobas—I mean, $12.3 billion. That is why Nicaragua filed a suit at the ICJ against the United States.

When President Reagan took over the U.S. Government on 20 January 1981, he already had a very clear program. That program was designed to destroy the Nicaraguan revolution over the short term—over the very short term. The government headed by President Reagan never intended to get in touch with the Nicaraguan Government representatives to try to normalize relations between the two countries or to develop friendly relations.

All the actions carried out by the U.S. Government at that time were aimed at supporting the policy of death and war declared against Nicaragua.

We must admit today, 30 January—10 days after President Reagan left office—that the revolution's strength was tested in 1981. The people's determination was tested that year. However, reason and justice were on our side, which is why President Reagan did not accomplish his goal of destroying the Nicaraguan revolution. He had to leave the White House on 20 January, marking a historic date in the struggle of the Nicaraguan people and of the Latin American, Caribbean, and Third World peoples. It showed it is possible to resist and defeat an aggressive, interventionist, and terrorist policy even if that policy is promoted, directed, organized, and financed by the greatest military and economic power on our planet: the United States of America.

In this manner, the Nicaraguan people and workers achieved a [word indistinct] victory. President Reagan had to leave the White House on 20 January without accomplishing his goal of destroying the Nicaraguan revolution. He had to leave with the stigma of international condemnation; he had to leave with the stigma of being condemned by the ICJ; he had to leave with the stigma of being condemned by the U.S. people, who never supported his policy against Nicaragua. President Reagan had to leave on 20 January.

The Sandinist people's revolution is not over. It has remained in Nicaragua, defended by the working people, by the peasants, and by all Nicaraguans who in these 8 years of aggression had the courage to condemn the enemy. The people had the courage and dignity to [words indistinct] the U.S. aggression.

However, the U.S. aggression has not changed the course of our revolution in these 8 years of aggression. The nationalist and popular nature of the revolution was consolidated. In the midst of great tensions, the mixed economy system was also consolidated, as were political pluralism and the international policy of nonalignment. The U.S. aggression undoubtedly increased tensions, and it caused not only the loss of lives and material damage, but also damage to the mixed economy system. The aggression also damaged the framework of political pluralism.

Circumstances became even more difficult when our country was threatened with the imminent invasion of U.S. troops and had to [words indistinct] political in our country to set aside party differences and take nationalist stands to confront the U.S. aggression.

Elliott Abrams, the secretary of state [as heard] of the Reagan administration, recently confirmed that the United States was on the verge of invading our country in 1983-84. Therefore, at no time did we exaggerate when we referred to the U.S. threat.

We feel we achieved victory on 20 January 1989. We feel we have achieved a historic victory, but at a very high economic and social price. Had we not paid that price, we would have had to pay a higher price: returning to the past that the people buried on 19 July 1979.

The only way the Reagan administration could have come to any agreement with Nicaragua would have been if Nicaragua had a Somozism without Somoza. Naturally, that was a much higher price, and we preferred to defend—to the death—the fatherland that we liberated on 19 July 1979.

The situation with the new U.S. Administration is not totally clear. It is clear that there is a trend in the world in favor of peace and negotiated solutions to conflicts.

Therefore, there are propitious conditions to achieve the Nicaraguan people's goals in a definite [words indistinct] manner. These goals are apparently shared by all our country's political, economic, social, and religious parties. It is the goal of peace. Therefore, it is now time to bury aggression and build peace. It is now time to place the interests of the poor, humble, hard-working people before party interests that lead to false and demagogic positions. It is now time to show our respect for the Nicaraguan mothers who have been victims of the Yankee government's aggressive policy.

The Nicaraguan mother suffered a great deal when she saw her son killed by the mercenary forces. The mercenary's mother suffered a great deal when she saw her son killed by the patriots' bullets. It is now time to respect the bloodshed suffered by this country for 8 years: the children's blood, the peasants' blood, the mothers' blood, the youths' blood. It is now time to seriously and respectably try to set the bases that will assure those who risk their lives daily.

Surely, those Nicaraguans who have suffered in the war zones are even more anxious for peace. Surely, those Nicaraguans who have seen their brother, son, father, mother, or relative fall are very anxious to attain peace. These are the majority of the Nicaraguan people. Those who continue to defend an aggressive, terrorist policy against Nicaragua in the United States and who are trying to get the new U.S. Administration to inflict this type of action against our country are not anxious to attain peace. Logically, they act and think in this manner because they defend the policy of domination, the imperialist policy. Above all, it is because they know they, their children, their relatives, or their close or distant relatives could lose their lives in this confrontation that they themselves organized at the White House, the Pentagon, and the State Department.

Political leaders in Nicaragua who insist on a policy of death and destruction and those who threaten us with violence do so because they and their children do not face the risks faced by the poor and hard-working people and the technicians and other professionals who work in Nicaragua's war zones. The contra leaders who insist on war find in the Nicaraguan people nothing but repudiation and rejection.

This is the moment for work to consolidate the victory achieved on 20 January 1989. This is the moment for securing peace without lowering the military defense of our revolution. This is the time to prove who the real Nicaraguans are and who are prepared to coexist like brothers. This is the time to tell Cain he cannot continue killing his brother, he cannot speak to encourage and applaud the killing of his brothers. This is the day of Nicaragua, the time of Abel, the time to build peace.

To build peace, we must try harder to defend the economy. Political speeches and demagogic positions do not resolve problems. Brilliant analyses that provide no answer and predict catastrophes do not help the people build the peace they want. It is the strength of producers and workers that will set the basis for peace. That is the formidable force that sparks production and will produce peace in Nicaragua.

We have a clear picture of the behavior of production in our country from 1980 to 1988. This is a good point of reference to be able to understand what we have done and what we will have to do as of 1989.

In 1980, Nicaragua exported $450-million worth of goods; in 1981—$499 million; in 1982—$407 million; in 1983—$428 million.

During the early years, we had foreign financing and support from the U.S. Government when President Carter, not President Reagan, worked in favor of U.S. congressional approval of a $75-million cooperation package for Nicaragua. This aid for Nicaragua was approved. In those years, we had access to multilateral credit sources and fresh financial aid from Latin American and European governments. In July 1979, the Nicaraguan economy was in a disastrous situation, which is how we found it when the revolution won. Despite that, using mechanisms which the revolution promoted in the production sector, we were soon able to reach the export figures I have listed despite an international market that paid little for what we exported and charged much for what we imported.

On 20 January 1981, Mr Reagan became President of the United States and began implementing covert and open operations to cut our aid. He also began to exert pressure on Latin American and European governments and on international organizations to block Nicaragua from securing financial support and credits.

President Reagan's policy began gaining strength, and the high cost of defending the country grew. President Reagan's policy directly and indirectly harmed the Nicaraguan economy.

From 1979 to 1980, despite the new costs imposed by the policy of aggression of President Reagan's administration, we, who had made extraordinary efforts in those years to provide or to try to provide the people with all of the things denied them from 1821 to 1979, were determined to continue social and production programs that would benefit our people.

This meant that as our economy started to come under attack by the U.S. policy of aggression, our overall expenses became increasingly greater than our material resources and the foreign aid our country was receiving. We were forced to divert resources to defense, and this became our main task. We had to closely control expenses to continue the production and social programs with which we started the 1979-1980 period. We had to control expenses to maintain and improve education and health services for the Nicaraguan people.

In any case, this was our sin: to insist with dogged determination to give the people what they were entitled to and had fought for. The people had fought to educate themselves and to achieve literacy. The people had fought to be healthy and to obtain housing. The people had fought to have land and to farm it. The people had fought to obtain gainful employment, and we firmly supported a policy of full employment. Under those conditions, it became morally impossible for us to adopt measures running counter to the people's interests.

Therefore, that explains...[changes thought] because on the one hand public expenses were increasing, and on the other hand the aggression began harming our economy. U.S. pressure on other countries began to affect Nicaragua, and our country had increasingly fewer domestic and foreign resources while having the same amount of financial obligations.

The subsequent drastic drop in our exports is therefore easy to understand. In 1984, our exports dropped to 385 million [currency not specified]; in 1985, our exports dropped to 301 million. That year, President Reagan finally decided to declare an embargo against our country. In 1986, our exports dropped to 244 million; in 1987, exports were 299 million, and in 1988 they dropped to 266 million.

We can therefore break our economy down into three different phases. The first was from 1980 to 1983. In that period, through great efforts, we succeeded in keeping our exports above 400 million. The second was from 1984 to 1985. During that period, exports dropped to 300 million. The last phase was from 1986 to 1988, and in that period exports dropped to 200 million.

Putting all political differences aside, it is very clear and easy to see and understand the causes of our country's economic crisis. One does not need to be an expert who graduated from a U.S. or European university. If the war has cost human lives, why would it be surprising to see that the war has also harmed our economy? What war in history—beginning with the Crusades and other religious wars—has not brought death, damage, and economic ruin to those involved in the war?

When the fascists invaded Europe, the European countries had very specific characteristics and levels of development. They had a variety of political regimes and ideologies. At that time, the Soviet Union was the first country to have started building socialism. When the fascists attacked Europe, neither the industrial and capitalist models of the United Kingdom and France, nor the revolutionary model of the Soviet Union were the causes of the death of millions of men, women, and children in Europe. Those models were not the cause of the collapse of the European countries' economies, either.

The cause was fascism, which launched a hegemonic campaign against the European people. Europe was in ruins after the war, so what can be expected in Nicaragua after a war promoted by the U.S. Government since January 1981? We cannot expect our country or any country that has gone through a war to be a country of abundance, full employment, and economic growth or to be a country with a stable sociopolitical system.

That has been our reality. The cause of this war is clear. Also clear is what has been our sin: our determination to keep all Nicaraguans employed and to maintain social services for the Nicaraguan people. In other words, spending continued while resources decreased. Then, as the war intensified and costs increased, we began to make significant cuts. However, those cuts were not strong enough to create a balance among our economic resources, the people's demand for work and services, and the producers' demand for investment and credit.

Our exports—coffee, cotton, sugar, seafood, and gold—as well as our domestic production of food, basic grains, and staples were subsidized. All Nicaraguans therefore were subsidized—even those producers who say that there is no mixed economy here and that there are no guarantees for production, but who have been producing in this country for 10 years with subsidized credits and subsidized imported products. Staples were also subsidized for the population.

Did the conditions exist, while President Reagan was in office, for us to apply a policy other than the one we were applying, or for us to do what we are doing today? One has to say no. Those conditions did not exist. The only conditions that existed were for us to apply a total war economy policy.

On several occasions, we said that, in view of the way the confrontation with the United States was proceeding, we would be obliged to apply a war economy policy. We all know what that means: total rationing and state intervention in all areas of production and distribution of resources. In an attempt to strengthen and develop the mixed economy system and political pluralism—even in

such difficult conditions—and because there was still some leeway, we stuck to the policy of subsidies. We stuck to that policy, which had inflationary effects.

Now it is our obligation—because internal and external conditions so demand—to make an effort that is more organized, more coherent, and more unified. The effort we were making year after year... [changes thought]. Year after year, producers who supported the revolution, producers who opposed the revolution, and producers who had no political leaning at all, supported the productive sector and cooperated with the workers, while the government coordinated the overall effort.

At this time, what we need is a more organized effort—a concerted effort by the workers, farmers, and the state to save the economy and consolidate and develop the mixed economy system. Unless we are able to make a qualitative leap under these conditions—which are complex and difficult but more favorable than those that existed until 20 January—and unless we can make a serious effort in the struggle to end inflation, to increase exports, and to develop production, then we will definitely be obliged to apply a war economy policy.

There would be nothing unusual in this. Postwar Europe had to apply a war economy policy. Of course, the Marshall Plan was implemented, enormous amounts of aid were received, and the European economies gradually recovered with time.

But Europe faced very difficult times after the war. The ideal would be not having to resort to that mechanism because of the tension it creates in all areas. We are convinced—and as president of all Nicaraguans, I am convinced—that because we succeeded for 8 years in defeating Reagan's policy, which entailed economic harm, greater expenditures, and the loss of Nicaraguan lives, it will surely be much less difficult for us to defeat inflation and gradually increase production.

At least life is not on the line in this struggle. Jobs are on the line, producers' abilities are on the line, businessmen's abilities are on the line. Those things are on the line. We must implement these measures now because of the inflation levels we had during the latter part of 1988. We had an inflation rate of 111.3 percent in November and 126.6 percent in December. If that trend were to continue, January's inflation rate would be 150 or 200 percent; who knows how high. Thus, we said to ourselves that we cannot allow this to happen. We have already adopted the appropriate actions to ensure January's inflation will be lower than December's. Inflation will have to be lower. We will not mention any figures now although it is 30 January today. We will reveal official figures during the 1st week of February.

We are convinced that if we act with the same energy, determination, and mysticism with which we faced President Ronald Reagan's aggressive policy, we will defeat this hyperinflation that Reagan bequeathed us—that war he bequeathed us.

We have been implementing anti-inflationary measures since January 1989. Based on November prices, when the exchange rate stood at 920 for 1, our expenditures totaled 1.0470925 trillion cordobas. It is a figure that is even difficult to read. It would be good if this were coupled with real production and foreign resources; however, this is not so, because our real income totaled 586.0925 billion cordobas—that is, we could spend 586.0925 billion cordobas, but we spent 461 billion cordobas more.

This is what we call inflation. It is money that has no backing. We really had 586 billion cordobas, but we were injecting money—inflating the money figure. Therefore, we had many more expenses, expenses of 1.047925 trillion cordobas. What measures have we adopted? Realistically projecting this 1989 into the coming years, we had to draft an outline. Thus, we have cut the large budget figure by 461 billion cordobas. We have lowered investments by 166 billion cordobas. Some of these investments have been completed by 20, 30, or 40 percent and some by 60 or 80 percent. So we have cut investments by 166 billion cordobas. We reduced a budget that had already been reduced in previous years. Nominally, the monetary figure was larger, but the true value was less. We have reduced this budget by 89 billion cordobas. In addition, we cut 206 billion cordobas in loans that would have subsidized production and investments. If we add up the investment cut of 166 billion, the budget cut of 89 billion, and the cut in loans of 206 billion, we will arrive at the 461 billion figure we mentioned previously. Even with this cut, however, we face expenses slightly greater than the amount to be received from our income. We have 586 billion cordobas, despite the 461 billion cordobas cut. We will have to add 16 billion more for a total expense figure of 602 billion cordobas. The Finance Ministry will have to find ways to cover these 16 billion cordobas. It will have to sell or rent real estate properties that have been used as protocol guest houses. We will only leave a few houses for guests. The Finance Ministry will rent or sell the majority of these houses to obtain resources. The Finance Ministry will also use merchandise that has been brought into the country illegally, such as vehicles, office equipment, and other items. This type of merchandise cannot be brought into the country without due authorization from the central government. These items will be sold. The finance minister already has a lot of vehicles, typewriters, computers, and more that will be sold to cover the 16 billion cordobas.

We are making efforts to prevent the general deficit from going above 11.3 percent. This is a great effort. This is a great effort because in 1987, the general deficit was 52 percent, and all of it was caused by printing money. When we speak here of an 11.3-percent general deficit, 4 percent of it will be caused by printing money.

The measures we are adopting will have consequences. They will not kill people but they will reduce the number of jobs and affect producers and businessmen. Why?

Because by cutting not only the budget but also investments and loans, we will give credit only to companies or producers who will repay the loan. This is the principle.

Let us now see whether this measure, which is typically a capitalist banking measure, will be criticized by the producers who were receiving a subsidized product. I say that the measure is typically capitalist because the measure is applied in a capitalist system. Many producers or some producers of certain political leanings follow the capitalist line. Here we have a combination of factors in a revolutionary plan in which we use marketing and financial tools for a higher purpose. It is only logical that here, unlike other countries, where the banks are in the hands of the state, our measures are not a method to enrich a group of individuals or families but are measures that will help organize production.

I do not know whether those who follow the capitalist line would applaud if our banks operated the way they operate under capitalism. We all know that under capitalism, when the producer receives money from a bank, he has to give something as collateral. Often it is his own property, and, if he does not pay, the bank will not wait. The bank forecloses even if you complain that there was too much rain. U.S. farmers also suffer weather problems. They have rain, wind, and other weather problems, but these conditions do not stop a bank from foreclosing. Banks take over the properties of the producers or businessmen. Every year banks take over many properties in capitalist countries. That is the way it was in Nicaragua before the revolution.

I believe that in this respect the Nicaraguan producers would not sympathize with these measures. Here they would not be capitalists. They would not agree with these capitalist measures. We do not threaten anyone here by taking over properties if payments are not met as a capitalist bank does. If payments are not met, we simply do not loan any more money. In other words, we are implementing a financial policy without the strictness of the financial policies implemented in a capitalist system of any Latin American country, the United States, or any European country—those presented to us as model countries.

Let any Nicaraguan cotton, coffee, sorghum, and rice producer go to one of those foreign banks to ask for a loan and then not repay the loan. We will see what happens. The day he cannot repay his loan, he loses his property. Reagan will not help that producer solve his problem because the capitalists have their own set of rules. The rules of capitalism are brutal. Therefore, we do not use marketing and financial tools to develop or to consolidate a capitalist system in our country. The purpose is to develop a system in which wealth is distributed equally.

Producers are reacting to the bank measures because they were accustomed to receiving subsidized credits. Some producers have taken political stands, and they condemn our banks because of their political leanings. It is clear we are telling the producer that he can receive from the bank as much as he can repay. If he cannot repay it, he will not receive money from the bank. Some producers were not totally sharing the sacrifices. Some producers who made good profits were converting that money into dollars and spending it in the United States or investing it in another country.

Some producers have bought farms in other Central American countries with the profits they have accumulated throughout the years. They have taken money out of the country. Instead of reinvesting the money in their own businesses here, they have simply gone to the bank every day. They want the bank to give them everything, and they want to keep all the profits. They do not want to reinvest a single penny. This is not possible.

On the other hand, we must recognize the job done by the majority of farmers, who have stuck to their farms and have never left the country on vacation. They travel to Matagalpa. They travel from Chontales to Juigalpa and rarely visit Managua. Those farmers reinvested their money here, and they have made an effort, along with their workers, to increase production.

Some foreign companies that remained in our country have reinvested, generating even new jobs. [Words indistinct] have been cheating all these years and condemning, without authority, the government's efforts to support production.

Since these economic measures will cause unemployment, we must seek alternative employment for workers. Where? In the productive sector. Workers who are terminated—that is, left unemployed—in the government's central apparatus will receive an expanded AFA [Rice, Beans, and Sugar Package] for a 2-month period so they can live, and they will be offered jobs in the countryside. We have alternative employment, not only during harvest periods but also regularly in cultivation. For example, the coffee industry can easily absorb 8,000-10,000 workers to increase coffee production.

In any case, work, the generation of jobs in the sectors now being affected, will have to be the result of an increase in the domestic and foreign resources. That is, there must be an increase in production that will make real jobs, not artificially supported jobs. Wage policy will have to be designed on the go in conjunction with price policy, because we must admit that in applying this policy of subsidies, the exchange rate has always been much lower than the value of products we import. We have been devaluing our currency, and when we devalue, we automatically cause price increases. Logically, wage pressure follows. The workers logically demand increased wages when prices are increased. We must attack the problem from several directions.

First, we have to stabilize the exchange rates so there will be a time this year when there will be only two rates in the country, the official and the black-market rates. We

now have three exchange rates, the official rate, the stock market rate, and the black-market rate. But there must be only two rates here: the official and the black-market rate, which we must fight.

We must fight the black market. We will raise or...[corrects himself] we will give exchange rates their real value and will calculate the real production costs at various enterprises, because we presently have a problem. Many enteprises that lack good organization and administration—we are not only referring to state enteprises, but also to private enterprises—choose the easy way out. They want to keep their workers happy, so they increase workers' wages every time workers demand a wage increase at the expense of increasing product prices. That is not right. Product prices in our country must be at least at the level of the product prices in the Central American market. Prices in our country cannot be above the prices in the Central American market. That is not possible.

We cannot accept that certain groups of workers become privileged workers simply because the owners of some private enterprises or the administrators of some state enterprises take the easy way out and increase wages at the expense of product prices increases, which harms the entire Nicaraguan population.

Therefore, products must have a real price, and they will be sold. In that way, prices will correspond to the costs imposed by the products we import. Here in Nicaragua, even our craftworks, which are supposed to be made with local material, are made with imported material. That is a reality. Many of our craftworks, perhaps 99 percent of our crafts, are made with imported material. Imported material is increasingly expensive and not only because they are made in the United States—they are also made in other countries—but because the international market works in dollars, and the dollar is losing value daily—not at the speed of the cordoba, that is true, but it is losing value daily—so material we buy in European markets or other markets becomes increasingly more expensive.

By supervising and controlling real production costs, enterprises will attain a higher level of organization so when an enterprise decides to increase and improve its workers' wages, it does so because that enterprise produced more and sold more—not only on the local market, but also abroad.

Salary adjustments should not be made at the expense of the product prices, but based on the production of each worker and, therefore, of the enterprise. Starting next week, we will inform the people on the prices of staples so they will have something to use as a reference, which we do not presently have. The people have been easily exploited by speculators, because of the lack of information on prices. There must be referent prices to guide people when they go shopping to the market.

In discussing this concerted effort, there is a phrase that is used many times: a lack of credibility. That is a fact; there is a lack of credibility. On Saturday, I met with workers and members of the Sandinist Central Organization of Workers [CST], the Association of Agricultural Workers [ATC], technicians, professionals, members of CONAPRO [National Confederation of Professional Associations] Heroes and Martyrs, and other comrades from UNAC [National Union of Farmers and Cattlemen]. At that meeting, I discussed these points with the workers, and I was interested in their views. The workers from CST and ATC told me that they did not trust some producers and businessmen.

They told me they were willing to make sacrifices, that they have been making sacrifices, but that the producers and businessmen have not made any sacrifices. We do not trust some producers and businessmen, they told me, and they even named some producers and businessmen who—according to the workers—are depleting the capital of their own enterprises.

I believe that if there is one voice we must listen to in this country, it is the voice of the workers. What does that show us then? A lack of confidence; therefore, the producers and businessmen have no credibility with the workers. Some directors of state enterprises have no credibility with the workers; this is the case in both the agricultural and industrial sectors.

The workers who were there also voiced their lack of confidence in merchants, and they said they were speculators. There is a lack of credibility with merchants. They said the marketing costs imposed by the state marketing enterprises were not credible. The workers voiced a lack of credibility, and I believe this is the first thing we must bear in mind.

First, we must provide confidence; we must provide credibility for the workers, to the men who are working on farms, so that the producer can have his children in a good school, or even in a foreign school. The producer must have transportation, while the worker has serious limitations. The worker feels the producer is spending on other things instead of sharing these profits with the worker who is producing these profits. Instead of paying the worker a higher salary, the producer spends the money on other things.

We have a goal here. We must generate confidence among the workers. Who must do this? Producers, private businessmen, and the directors of state enterprises, producing enterprises, and marketing enterprises must do this. The directors of state institutions and the ministers of state are also obligated to generate confidence among the workers, because state workers also lack confidence in the work of those who are directing the institutions, such as the ministers and the directors of institutions.

The workers lack faith and confidence. This is a matter of concern and a latent problem that workers have clearly exposed. Therefore, it should be resolved before or along with any other problem.

We must win the workers' confidence, not through words but through deeds. The attitude of producers and businessmen—both in private and public enterprises—will determine if workers will support these measures with the same energy they supported the struggle against the dictatorship and the struggle against the Yankee aggression. Workers are the ones who pay the highest price and make the greatest sacrifice.

Some private producers, even UNAC members, have indicated mistrust in regard to their property. UNAC has brought to our attention cases of some producers who feel they have been unjustly affected when their land has been expropriated, although that land has been delivered to peasants. However, some producers feel they have been unjustly affected because they are efficient.

Other producers say there is no credibility simply because they have a political or ideological stance that makes them repeat that slogan precisely to sow mistrust.

There are other skeptical producers not affililated with UNAC but with other organizations, including COSEP [Higher Council of Private Enterprise], who are really producing and businessmen who are truly engaged in productive activities, such as in the production of basic goods, in construction, or in commercial activities.

This mistrust can be explained by the tensions that U.S. agression has generated in all fields, particularly in the economic and political fields.

Producers also distrust bank policies. Bank policies are very tough now. Producers also feel that some of their productive activities have not received proper attention or understanding. Some concerns are justified, such as the fact that the exchange rate does not reflect real value, thus resulting in losses and additional costs for them.

Well, those are specific problems that can be solved. The important issue here is that workers must recover [changes thought] ... not recover, because they have never had it, but that workers must have confidence in producers. In other words, confidence can only be recovered if it once existed; however, workers have never trusted producers. We are not going to say here that workers were happy in the past with landowners who took land away from them or with employers who exploited them on farms or in industrial plants. Those who protested were fired, and if they refused to leave, they were arrested.

The workers' distrust in producers and businessmen is historical, so we must make a historic effort to win the workers' confidence.

What else can the government do with those producers who demand credibility? Actions speak for themselves and although some people talk about insecurity regarding property, the truth is that right now 85 percent of the land is in the hands of private producers, either individuals or cooperatives, and only 15 percent is in the hands of the state or of state enterprises.

State-owned land has been given to peasants, either individually or as a cooperative, and today we have more private producers than ever before. Banks have been giving financing to peasants. Actions speak for themselves.

Let a producer affiliated with COSEP tell me whether his affiliation with COSEP has prevented him from obtaining bank loans or from obtaining production supplies, parts, or machinery from PROAGRO [National Agricultural and Livestock Products Enterprise]. We have supported private producers regardless of their political affiliations and ideologies.

We look at facts, and the truth is that at times of confrontation with the Yankees, when the invasion of Yankee troops seemed imminent, when the Yankees mined our harbors, and when they embargoed our economy, we never attacked our producers.

We must understand that there are better conditions now to solve problems and overcome disagreements and contradictions, which worsened at the time of the Yankee threat. We are facing a specific financial situation. The country needs $237 million to implement an immediate economic program. We do not have that money.

Producers who have expressed concern that some of their land has been taken to give to our peasants know very well that only a very small group of producers have been affected. In any case, in this new phase, we will try to consolidate and develop what we already have, and the state's duty regarding agrarian reform is not only to give land to peasants, but also to promote the production of products that are vital for the country's economy. In that sense, there is no reason for taking an inch of land from anyone. Enough land has been distributed already.

There are peasants requesting land, that is true, but we already have land to give them. There are cooperatives that own 500 or 1,000 manzanas of land and do not have enough men to work that land, so peasants requesting land have an opportunity there. They have land to work with. Those peasants who want land can work there and strengthen those cooperatives. Those cooperatives must be strengthened.

We cannot fall into an expansionist policy, because in every case it is a question of land that is already in the hands of peasants—land that is not being returned. This should be clearly seen. The peasants' land is already in their hands. The peasants have their deeds, and it is not a question of taking the land away from the peasants. However, there is no reason to continue taking land

away from anyone to give to the peasants who are demanding land, because we have unused land, even in the cooperatives. We have land in the war zones that has been recovered from the mercenary gangs' influence. We already have political control in those zones.

However, we do not have economic activity. We have political and military control, but economic activity is lacking. The land is there, but it is idle because the people left or were relocated. We have land to give to the landless peasants who are demanding land, without having to affect a single producer who is interested in participating in a real, national process of concerted efforts.

There are some state companies...[changes thought]. The cattlemen, for example, have been demanding to be supplied with a slaughterhouse, logically, under the country's legal regulations. When we talked to the workers about this, they expressed concern about possible cheating by the producers. The problem is lack of trust. I did not bring up this topic; they, themselves, expressed the concern. I was there to brief them on the general outlines of the plan and to listen to their concerns.

However, we can easily make an effort. There are many mixed companies operating with state and private capital. They have been operating all these years, but it seems that this reality is being ignored. In addition to only mixed companies with foreign capital, mixed companies with Nicaraguan capital have been operating all these years in every branch of our industry.

A slaughterhouse could very well be established. The state-owned slaughterhouse presently is not being fully used. It could very well begin to be used properly with the participation of private producers to make a mixed company. We can find ways in which the private producer who wants to participate can do so and in which the state can participate if it wants to, because we might encounter a situation in which private enterprises that are depressed could be reactivated with state participation. We can work in that direction.

Therefore, credibility has been primarily a political element that was already affecting us because it was lacking, to the extent that war and aggression have damaged our national economy, caused losses of Nicaraguan lives, and threatened Nicaraguan lives.

Concerted efforts do not mean that we are now going to assume the same ideology, or that all who are in some way connected to production are going to assume the same ideology. It is not that. Our basic principle is that we respect ideologies. This means that we Sandinist revolutionaries are not renouncing our ideology. We are not renouncing our plan of socialist orientation. We believe that is the way to implement socialism, to build socialism in our Central American framework, in our Latin American framework.

We do not favor any system; however, we consider that it is here, in our own framework, that we must draw up our own system—as we have been doing. That is what our ideology and our thoughts tell us.

In other words, as Marxists, as Marxists-Leninists, and as anything else you may wish to add, we understand that the revolutionary plan in Nicaragua must be developed while respecting our society's characteristics. It must be developed in alliance with the basic forces of our society and with all the social, political, economic, and religious groups that are willing to build a new Nicaragua based on a model in which a mixed economy, political pluralism, and nonalignment prevail.

Those who have another way of thinking, another ideology, can go on working in terms of those thoughts and ideologies. Those who believe capitalism is the best system for Nicaragua will continue working on those terms. Those who believe that subordinating Nicaragua to U.S. policy is best for our country will continue thinking and working on those terms.

Each individual is entitled to his own thoughts, and that must be respected. It is not a question of giving up ideologies or surrendering political and ideological positions to form one, single political and idelogical position. The question here is that all those who claim to be concerned about peace and the Nicaraguan people must use crucial times to join forces in attaining peace and increasing our production.

The economic measures we adopted before led us to assign each thing its true value. As I said before, there are certain trade activities here that are overvalued. They are given an excessive value.

A review of values must also reach the transportation sector, including freight transportation. We must also check into the entire process of transporting merchandise into the country, which also artificially increases the prices of some products.

We can say that public transportation, especially urban transportation in Managua, is still being subsidized, although the fare within the city was raised to 100 cordobas. It is not its true value. In addition, secondary school and university students will be allowed to ride for free. We will do that to somehow alleviate the effect of transportation costs on each Nicaraguan home, especially on those homes where there are two, three, or four school-aged children. We cannot abandon the subsidy policy completely, but we are making considerable adjustments that will help us check inflation.

We must base our economy on the cordoba [cordobizar nuestra economia]. It is true we have a store where people can buy things with dollars only. That store is

called a diplotienda [a store for diplomats, foreigners, and those who can pay in dollars], although in fact it is open to everyone who has dollars. People with dollars can shop there.

This store that sells things for dollars will earn $13 million for the country this year. The $13 million will go to the finance minister who will use the money to pay expenses, or some expenses, incurred this year.

We are creating conditions for a gradual increase in production by giving each product a value, by establishing pricing mechanisms, and by containing inflation as much as we can. We do not expect an immediate increase in production; that is not possible. These measures have recessionary elements but they are unavoidable. These recessionary elements are also temporary and will only last until the new economic measures are organized and the basis for increased production is established. The new measures will necessarily strengthen the value of the cordoba. We tried to strengthen the cordoba by changing the currency at the beginning of 1988, but it did not work; the cordoba began to devalue very quickly. It is possible to strengthen the cordoba if all these measures are implemented in a firm and consistent manner by all sectors involved in production.

We believe Nicaraguans should consider today, 30 January, a historic date—a day when we have committed ourselves, in a joint effort, to construct what U.S. aggression has not allowed us to construct in the past. Today I appeal to the sensitivity and the honesty of all Nicaraguans so that this proposal will not turn into a proposal that will lead to political confrontation and demagoguery, because we would then be playing with the people's blood and with the people's future.

As leaders of this nation, we will implement these measures together with the workers and with all producers who are willing to produce. Moreover, these measures have already started to be implemented. We are certain, we are convinced, that just as we defeated aggression we will defeat inflation and we will increase production. Thank you.

Opposition on Economic Steps

PA3101230589 Managua Radio Sandino in Spanish 1200 GMT 31 Jan 89

[Passages within quotation marks recorded]

[Text] Opposition political parties and businessmen are pleased with the new relations with the government, but are not fully satisfied. Filiberto Sarria, Social Christian Party leader, believes that the new government proposals on relations with the private sector should have been made months ago. He added that political aspects should be included as well. "Our response has two parts," he said. First, the economic measures should have been proposed several years ago, which would have lessened—and may have avoided altogether—the heavy impact these measures are going to have on workers, producers, and businessmen. Second, political-economic measures must be implemented to overcome Nicaragua's great economic problems."

According to private businessman Antonio Lacayo, director of Grasas y Aceites, S.A., referring to the government announcement, what really counts are deeds and not words. "Ortega's fundamental message had already been conveyed last week by the agriculture and industry ministers. The message is more or less the same. The people will be looking for deeds, because words must be accompanied by definite deeds to generate confidence," he said.

Parliamentary political parties expressed skepticism about the economic measures announced by President Daniel Ortega.

Sergio Torres Obregario of the Democratic Conservative Party of Nicaragua noted: "He mentions the credibility of the businessmen in the eyes of the worker, but he does not mention how the state can gain the credibility of producers and businessmen. Nothing is said about all the property confiscated or expropriated by the Ministry of Agriculture-Livestock Development and Agrarian Reform. He does not mention the factories that have been destroyed by the [word indistinct], nor all the Supreme Court of Justice rulings that have been ignored. How is the state going to regain its credibility with the producers? It is not only a matter of the producers' credibility with the workers, but the states' credibility with the producers. It is the state that has harmed the economy."

Allan Zambrana of the Communist Party of Nicaragua said: "What we need in Nicaragua is a consensus in various fields to face the national crisis. President Ortega is trying to implement a policy that I do not agree with. The policy must first be discussed and an agreement reached on how the economic measures are to be applied. Even though this is already being done, until steps are taken to reach a political agreement these measures will have little economic benefit, for we have not yet been able to resolve the political problems that are at the center of the economic crisis."

Nathan Sevilla, representative of the Sandinist legislators, made this comment: "The economic measures are correct for this moment, but the workers—as active participants in production—are also required to make their contribution. Analyzing the workers' participation in production, we see that more work is needed to raise production figures. If there is no joint participation between workers and producers, the economic measures cannot succeed. Participation of both producers and workers within a peaceful climate is needed to develop the economy."

Joaquin Mejia of the Independent Liberal Party said: "Generally speaking, mistrust is the most frequently used word in Nicaragua these days. Businessmen do not trust the regime because of the complicated, absurd, and indiscriminate measures implemented over the last 10 years, so there is no respect for the state. Mr Ortega, demagogically says the problem lies in the mistrust workers have for businessmen and entrepreneurs, and so on.

That is one aspect of the problem. On the other hand, Mr Ortega's offer is interesting. It means offering businessmen certain guarantees to take part in the economic process. It means that business in the mixed economy will be guaranteed, that state and private investments are possible in certain areas—a slaughterhouse, a company, and so on. All of which is fine, of course, but the problem is that the house is falling down on top of us. Desperation and economic chaos are sweeping through the country. The president himself said this a few days ago: To ensure the country's survival this year, $150 million is needed. Emergency measures are needed. Nicaragua's problems cannot be solved by economic measures alone, but by political measures as well. A great many businessmen—a great number of Nicaraguans—are not fleeing the country just because of economic measures or the government's economic failure, but because of the political failure of not having fostered a consensus in Nicaragua since 1979."

Domingo Sanchez of the Nicaraguan Socialist Party said: "These are tough measures, as all economic measures are, but they are the only way to succeed. I agree with the president that the most dangerous period has passed. Now it is a question of putting things in proper perspective and convincing the workers that although these measures are hard on them, they lead to the important goal of overcoming this economic crisis. It is time to convince all other social, political, and economic sectors to achieve economic unity and save Nicaragua. Our prospects are better now than they were 10 days [as heard] ago."

CDN Proposes Constitutional Reform Referendum

PA3101195389 Panama City ACAN in Spanish 0223 GMT 29 Jan 89

[Text] Managua, 27 Jan (ACAN - EFE)—The Nicaraguan Democratic Coordinating Board (CDN) today sent a letter to President Daniel Ortega requesting a referendum to enable the people to decide on whether or not the Sandinist government should accept reforms to the Constitution.

Since early last year, the Nicaraguan domestic opposition has been urging the government to make "essential" reforms to the Constitution (promulgated in 1987) to make free and democratic elections in the country possible.

In a press communique issued today, the opposition alliance also asks the presidents of Central America to back this call for a referendum.

The communique was sent to Ortega a few days before the government announced new economic measures "that will rock the social bases of all Nicaraguans," according to the opposition.

Regarding the presidential, legislative, and—probably—municipal elections to take place in November 1990, the CDN believes they will be unacceptable "as long as no progress is made in the implementation of Esquipulas II" (the peace agreement signed by regional presidents in August 1987).

Last week, President Ortega reaffirmed that the general elections will take place in November 1990 and called upon the opposition with representation in the Nicaraguan legislature to present candidates to restructure the Supreme Electoral Council.

The CDN is composed of six parties without representation in the legislature, two non-Sandinist labor unions, and six business associations.

Government Extends Unilateral Cease-Fire

PA0102030389 Managua Domestic Service in Spanish 0250 GMT 1 Feb 89

[Text] The Nicaraguan Government has extended the unilateral cease-fire for 1 more month, until 28 February. This was done to allow the contras to lay down their weapons and seek amnesty. The presidential decision is in the spirit of the Esquipulas and Sapoa agreements.

The new extension, from 1 to 28 February, gives the counterrevolutionaries the opportunity to lay down their weapons, seek amnesty, and join in the country's normal life.

Panama

Opposition Campaign Financed by 'Diverted Funds'

PA3101170989 Panama City CRITICA in Spanish 30 Jan 89 p 1

[Text] Several organizations that compose part of the seditious movement and hide behind a facade of welfare institutions owned by third parties have suspiciously launched public drives to establish a petty cash fund for the May elections.

It has been learned from opposition sources that a drive is being conducted to obtain enough funds from local and foreign donors to finance the opposition's campaign. The bribing of voters that took place in elections prior to 1968 was detected during vote counts because money was found in the envelopes together with the ballots.

One of the organizations that has been receiving funds from the Agency for International Development, known as AID, is the Private Sector Council for Educational Assistance, which is an appendage of the Chamber of Commerce and Industries of Panama. The "diverted

funds" that will be used to finance the campaign of the opposition, whose strategy is devised by the United States, will be supplied through this branch.

A similar mechanism is the front organization called the National Conservation Association [Asociacion Nacional Conservacionista] (ANCON), which has been receiving funds from local and foreign sources to finance the opposition's propaganda campaigns in various media in Panama and abroad.

Another branch operates in Caracas. It is controlled by Christian Democrats and receives funds from the United States to print pamphlets and posters, bring foreign journalists to Panama, and produce the television spots that are already being reproduced locally.

Arias Threatens Strike in Event of Election Fraud

PA3101185689 Panama City ACAN in Spanish 1247 GMT 31 Jan 89

[Text] Panama, 31 Jan (ACAN-EFE)— Panama's opposition has announced that it will promote a "total strike" if General Manuel Antonio Noriega's regime commits fraud in the 7 May elections.

After receiving the support of the Christian Democratic International, which is meeting in Panama, Ricardo Arias Calderon, the opposition's 1st vice presidential candidate, said: "We will paralyze the country from border to border and from ocean to ocean until Noriega falls."

The opposition intensified its campaign this week with frequent references to possible fraud and to reports linking Gen Noriega with the drug trade.

Meanwhile, the largest party supporting the Noriega regime, the Democratic Revolutionary Party [PRD], has postponed until Monday the election of its presidential and two vice presidential candidates. The election was scheduled to take place tomorrow.

Political circles have interpreted the postponement as Noriega's desire to take all the time necessary to decide whether he will accept the presidential nomination or to decide whom he will support.

The new date is the eve of the deadline for candidates' registration at the Electoral Tribunal.

Arias Calderon, president of Panama's Christian Democratic Party, warned of a "total strike" at a public event in La Chorrera, approximately 30 km from Panama City.

Along with presidentidal candidate Guillermo Endara and second vice presidential candidate Guillermo Ford, Arias is supported by the Civic Democratic Opposition Alliance (Civic ADO).

The event in La Chorrera was attended by Luis Herrera Campins, a former Venezuelan president, and Flamino Piccoli from Italy, president of Christian Democratic International, as well as other Christian Democratic International leaders from Europe and Latin America.

Several foreign speakers harshly criticized the current Panamanian regime, especially Panama Defense Forces Commander Noriega, whom they described as a "dictator" and linked to drug trafficking.

Arias challenged the general to "restore public liberties, remove his uniform, run for the Presidency, and see what happens," adding, "if he does not accept this challenge, it is because he is a coward."

The PRD, founded by the late General Omar Torrijos, heads the National Liberation Coalition (COLINA), which is composed of five other progovernment parties.

In political circles there are insistent reports that Noriega or Acting President Manuel Solis Palma may be the government's candidates in the 7 May elections.

Although the general has declined to say whether or not he wants to be president, over the past few days several progovernment newspapers have published articles by columnist Baltazar Renan Aizpurua in which he states that "Noriega is the best candidate."

Noriega, who says the regime will not surrender the Presidency or the military command "until the year 2000," has declined to disclose if he has chosen someone close to him as a candidate.

The decision, at any rate, is in Noriega's hands and the government parties are not expected to disagree with the chosen nominee because "where there is a will for a sole command, there need not be problems," an adviser to the general told ACAN-EFE.

The government media also says that the possibility of Solis Palma's candidacy has not been dismissed even though the constitution prohibits presidential reelection.

Solis was not elected to office; he has been the minister in charge of the Presidency since February 1988 and is therefore not affected by this law, according to those who support his candidacy.

PLA Supports Opposition Ticket for May Election

PA0102002389 Panama City LA ESTRELLA DE PANAMA in Spanish 30 Jan 89 pp 1, B-4

[Report by Emilio Sinclair]

[Text] Confident of certain victory in the May elections and ready to seize power from the current government, the Authentic Liberal Party [PLA] yesterday officially

put its support behind the presidential ticket of Endara, Arias Calderon, and Ford. Referring to the progovernment parties, Guillermo Ford said: "This crap has to end."

PLA members yesterday filled the Bella Vista theater to confirm their support for the opposition presidential ticket during a convention in which most speakers described the government as a "corrupt regime."

The convention, which was presided over by Joaquin Fernando Franco, was held in an atmosphere of harmony, while bands and fireworks gave a festive air to the event.

The presence of Mrs Mireya Moscoso de Arias, the widow of Dr Arnulfo Arias Madrid—"the great" leader, as he was called yesterday—gave prestige to the meeting and was used as an occasion to recall the actions of one of Panama's most charismatic leaders.

The convention was attended by all the parties comprising the Civic Democratic Opposition Alliance—the PLA, the Christian Democratic Party [PDC], and Molirena [Nationalist Liberal Republican Movement]—as well as by the Civic Crusade, the People's Action Party (PAPO), and the Authentic Panamenist Party members loyal to Guillermo Endara, who says he is the heir to Dr Arnulfo Arias Madrid's principles.

PAPO leader Carlos Ivan Zuniga delivered the most biting criticism of government politicians. When he arrived with his followers at the Bella Vista theater, someone shouted: "Here comes the fighting cock."

Joaquin Fernando Franco, who presided over the convention of the PLA—which has existed since the founding of the Republic—said this opposition alliance "is a union without bickering, and its goal is to give Panama democracy above everything else."

The first invited guest to speak was Dr Gilberto Arias Guardia, a member of Molirena, who recalled that his father, Dr Harmodio Arias Madrid, known as "the Indian of Rio Grande," was a member of the Doctrinaire Liberal Party, the political organization that took him to the presidency from 1932 to 1936.

He noted that during the administration of Dr Harmodio Arias Madrid, the canal treaties were revised for the first time, which created the "second republic." The Molirena representative said that in the hands of the current government leaders, the Panama Canal "would not last 3 months" and "would be left in ruins like the old Panama ruins."

PAPO leader Carlos Ivan Zuniga called for "the beginning of a struggle to end that shortsighted Torrijos-Carter treaty." He described the country's current situation as "a bitter hour for the Republic." He asserted that one can make "pacts with adversaries," and he listed a number of things that inhibited opposition activities.

He closed his speech by saying: "If you see me advance, guide me; if you see me turn back, push me; and if you see me die, avenge me."

Other speakers included Nelly de Figueroa, Bella Vista corregimiento representative, who spoke on behalf of the PDC; Carlos Abadia, who spoke on behalf of the National Civic Crusade and who said "we can pull Panama out of the quagmire and end its discredit;" and Mario Ameglio, who spoke on behalf of the Liberal Vanguard.

The candidates were nominated by Dr Cesar Pereira Burgos. Fabiola Fassano Young, a little girl, told the Endara, Arias Calderon, and Ford ticket that once they win the elections, they should give children "a free and democratic fatherland."

Ricardo Arias Calderon, first vice presidential candidate, recalled the words of liberal guerrilla Victoriano Lorenzo, who was executed in early 1903, stating: "Panamanians, the struggle must be carried out by fighting."

Arias Calderon said the economy must be rebuilt for the benefit of those Panamanians who have suffered the brunt of the political and economic crisis. He also recommended that Panamanians prepare to manage the canal "without any concession to any foreign power."

"The nation's destiny is at stake in these elections," he said.

Guillermo Endara, presidential candidate of the Civic Democratic Opposition Alliance, said the convention represented "the unity of party members and of men and women with a single will, with a single task, and with a single objective: to save the country from the ruin in which it has unfortunately fallen...."

"We do not have legal recognition," Endara added in reference to the Authentic Panamenist Party, which has been seized by the faction led by Hildebrando Nicosia. However, he added: "We have brothers of the democratic opposition who have offered us their parties to nominate our candidates and appoint our representatives. That is why the supporters of Arnulfo Arias Madrid will vote for only three party symbols: the rooster of Molirena, the green star of the PDC, and the bell with the letters LA of the PLA."

The convention closed with a speech by PLA President Arnulfo Escalona Rios.

The convention was filled with criticism of the government, a festive spirit, and amusing incidents. For example, when Mrs Mireya Moscoso de Arias, honorary president of the convention, arrived at the convention, the march "All for the Fatherland" was played. This march has been made popular by the Panama Defense Forces, the opposition's adversaries.

PRD Official Says Solis Palma Not Candidate
PA0102033989 Panama City Circuito RPC Television in Spanish 2300 GMT 31 Jan 89

[Interview with Pedro Pereira, member of the Democratic Revolutionary Party (PRD) National Executive Committee (CEN), by unidentified reporter; date and place not given—recorded]

[Text] [Pereira] Last weekend we chose our candidates for legislators, representatives, and councilmen. We will now hold a national convention to chose a presidential ticket. We decided to do this on 6 January at the New Panama Gymnasium.

We are making preparations for that event. The party is getting ready to hold a national convention at the New Panama Gymnasium to select the presidential ticket we will present to the country.

[Reporter] Why was the national convention postponed?

[Pereira] The CEN looked at pending political activities and concluded that it was advisable, from a strategic standpoint, to postpone this event from 1 February to 6 February. In other words, we made a political decision to hold the convention on 6 February, because it is more advisable from the standpoint of our political strategy; it is more advisable for our party and the parties that comprise Colina [National Liberation Coalition], which are weighing the facts to select a presidential ticket that will fit the requirements demanded by the tasks facing Panamanian society in the next 5 years.

[Reporter] It was reported that the minister in charge of the Presidency requested the postponement of this convention. Is the PRD planning to nominate the minister in charge of the Presidency?

[Pereira] The decision on the presidential ticket revolves around candidates nominated by the Colina parties. It is public knowledge that the PRD has nominated its own candidates; PALA [Labor Party] has nominated its own candidates; and other Colina parties also have nominated their candidates. Our current decisionmaking process revolves around those candidates; we will make our final decision public soon.

[Reporter] Would it not be unconstitutional to nominate the minister in charge of the Presidency for president?

[Pereira] I would not like to delve into such legal matters. That is not an opinion that I can voice. That question should be posed to the Supreme Court of Justice. The minister in charge of the Presidency is not among the candidates we are currently studying.

At any rate, that is a matter that should be brought up with the Supreme Court of Justice. The PRD cannot give an opinion on this matter at this moment.

Opposition Submits Documents to Electoral Tribunal
PA3101185489 Panama City LA ESTRELLA DE PANAMA in Spanish 31 Jan 89 p 1

[Text] The Authentic Liberal Party, Nationalist Liberal Republican Movement [MOLIRENA], and Christian Democratic Party [PDC] presented to the Electoral Tribunal the formal documents communicating the formation of the "Civic Democratic Opposition Alliance" [ADO] to participate in the 7 May elections.

Lawyer Ramon Lima handed over these documents and informed the Electoral Tribunal of the composition of a common ballot for president and vice presidents under the names of Guillermo Endara, Ricardo Arias Calderon, and Guillermo Ford, respectively.

ADO delegates, headed by candidates Endara, Arias Calderon, and Ford, were received by the three magistrates of the Electoral Tribunal—Yolanda Pulice de Rodriguez (President), Luis Carlos Chen, and Aurelio Correa—and Secretary General Aurelio Bonilla.

Pulice de Rodriguez promised to organize the elections "as correctly as possible" to benefit the fatherland and thus procure success for all citizens in general.

The magistrate president handed Secretary General Carlos Bonilla the documents submitted by ADO, which included statutory reforms approved at MOLIRENA's national convention and election results of national directorate and political junta members.

Guillermo Ford, second vice presidential candidate for the Civic ADO, said, "We are convinced that democratization is indispensable to attain social justice and the economic development we all wish."

Ricardo Arias, vice presidential candidate and PDC president, told the magistrates, "You can change the opinion the people have of you, which is not good." Guillermo Endara said, "We are going comply with the Constitution and the law and take this opportunity to tell you briefly but clearly that the Panamanian people also expect you to comply with the Constitution and the law."

Tribunal Rejects Documents

PA3101201689 Panama City LA ESTRELLA DE PANAMA in Spanish 31 Jan 89 pp A-1, B-4

[Report by Cesar E. Gomez Marin]

[Text] Electoral Tribunal Secretary General Carlos Bonilla yesterday reported that the Civic Democratic Opposition Alliance [ADO] has not yet been properly formed because the documents presented at the tribunal contain several mistakes. He also said the Authentic Liberal Party [PLA] is not a member of the alliance.

Jaime Ortega, a member of the PLA National Directorate, has described the Electoral Tribunal assertion as a "trick" to hamper the ADO's unity. Ortega said the PLA will "stay alert" to avert any move to catch the opposition off balance.

Bonilla said the Civic-ADO parties can still submit documents properly drafted after a general convention or a meeting of each member party. Ortega said the alliance had submitted all the papers necessary for registration.

Bonilla said: Upon checking the documents given to me by Electoral Tribunal President Yolanda Pulice de Rodriguez, who received them from the ADO representatives yesterday, lawyers Ramon Lima, Gilberto Sucre, and myself noticed the PLA was not an alliance member because this fact was not specifically stated in the alliance minutes.

He added: We had to return the documents dealing with the alliance formation and the nomination of the presidential and vice presidential candidates. According to law, the alliance must submit the proper documents in the case of a joint nomination.

Finally, Bonilla said that the ADO parties can submit the documents dealing with the alliance formation and the presidential ticket at a future date. If alliance documents are not submitted, the opposition can submit separate documents for each of the parties forming the alliance.

Use of Frozen Funds Termed 'Height of Stupidity'

PA0102040289 Panama City CRITICA in Spanish 30 Jan 89 p 4

[Editorial: "The Height of Stupidity"]

[Text] The report struck not only the Panamanian people but the other peoples in the world who have been watching the many forms the Yankee aggression against our economy and society has taken. The United States intends to hand over the Panamanian people's money, illegally frozen by traitor Delvalle in a Yankee federal reserve bank, to the opposition parties so they can try to distort the people's will by shamelessly bribing people for their vote.

We regard this as the height of stupidity, because this money should not be used for any elections. Those are Panamanian dollars honestly earned by depositors from all parties and even by those who do not support any party. Therefore, this stupidity is cruel and shameless and goes beyond anything imaginable. The money of Panamanian depositors is used to violate the rights of these very same depositors without even asking them whose side they are on.

The Yankee empire is an expert at tricks. One of these tricks is to pit Europeans against Europeans, Asians against Asians, and Africans against Africans.

It is well within the empire's criminal logic to pit Panamanians against Panamanians and to use Panamanian money against Panamanian sovereignty.

These arrogant masters of the world believe societies that do not obey their orders are inferior and can be used for all kinds of experiments. This experiment—trying to win the elections with the money of depositors from all backgrounds and ideologies—is new, but it will not work. It will not work because our people have an awareness that began to take shape in 1945, when the glorious Patriotic Youth Front proclaimed the slogan: Pride Against Money and Liquor. Shameless stupidity will be defeated once again.

Banking Commission Director on FDP Bank

PA3101192489 Panama City LA ESTRELLA DE PANAMA in Spanish 29 Jan 89 pp A-1, B-10

[Text] Consulted by local and international media about a WASHINGTON POST report on the new Panama Defense Forces [FDP] bank, Mario De Diego, the National Banking Commission [CBN] executive director said: "This is a new attempt at disinformation and destabilization—for political purposes—of the Panamanian financial system, thus discrediting General Manuel Antonio Noriega, the FDP, and the country, particularly the Panamanian banking system. The international banking center in Panama is mainly composed of prominent foreign banks, and for the past few years it has been the target of attacks against its recognized prestige and economic and financial stability. The Institutional Bank of the Fatherland—a subsidiary of the FDP Welfare Association, which was founded in 1953—was granted a general bank license in 1987 after meeting all the legal requirements of the Panamanian Banking Law, which regulates all banks operating in Panama. The Institutional Bank of the Fatherland's board of directors is made up of the board of directors of the [FDP Welfare] Association because the association owns the bank.

De Diego said it is important to note that this new attack on the banking system is occurring at a time when the banking system is showing clear signs of stabilizing after having been attacked since 1987.

The Institutional Bank of the Fatherland's license was granted by the Banking Commissioners Board which, in accordance with the Banking Law, is made up of seven members, three of whom are local bankers representing private banks operating in Panama. The commisioners are selected from candidates submitted by the National Banking Association, an organization made up of all the banks located in the country.

The purpose of the Institutional Bank of the Fatherland is to provide banking services for FDP members. Until the new FDP bank was opened, FDP members had access to some restricted financial services provided by the FDP Savings and Loan Association, which operated for over 10 years. The Institutional Bank of the Fatherland purchased the assets and liabilities of the FDP Savings and Loans Association.

"There is nothing abnormal or strange about this kind of military banking institution," De Diego said.

De Diego further noted that banks owned by armed forces have existed in many countries for a long time. In other countries, the United States for example, the Army has contracted with private banks to provide banking services for its members at their installations and military bases, inside as well as outside U.S. territory.

"For example," De Diego added, "in Panama there is a military bank run by the American Express Corporation at one of the defense sites still under U.S. Army control that provides services exclusively for members stationed in Panama, as established in the Torrijos-Carter treaties. This military banking facility has a general banking license issued by the CBN, which is similar to the license given to the Institutional Bank of the Fatherland. [quotation marks as published] Therefore, "there is nothing irregular with the new bank," De Diego said.

The new bank, De Diego added, is subject to the same CBN regulations that other banks are subject to. Among the requirements that this bank has complied with is the hiring of an external auditor, in this case Young & Young Touche Ross, a very prestigious firm here and abroad.

Panama, 27 January, 1989 [as published]

IMF, World Bank Missions on Working Visit

PA3101123289 Panama City MATUTINO in Spanish 30 Jan 89 pp 2, 16

[Article by Roberto R. Rodriguez]

[Text] Missions from the IMF and the World Bank are currently visiting our country to study and assess the behavior and financial situation of our national economy and the prospects for a recovery in the next 12 months.

The missions from the two financial and trade organizations are working "behind closed doors" and are meeting with government officials.

After the World Bank-IMF conference last September in the FRG, an IMF-World Bank mission visited Panama to conduct an on-site study of the country's economic and financial situation following the destabilization campaign launched against Panama by these organizations' leading member, the United States.

Since it began facing one of the harshest onslaughts of economic aggression ever unleashed on any country, Panama has been unable to pay its foreign debt. Prior to the aggression, Panama had an excellent credit rating with trade and development banks.

Despite the efforts made by the media to determine the scope and purpose of the visit, no information has been obtained on possible economic arrangements or agreements that could bring fresh funds to the country.

Christian Democratic International Holds Meeting

PA0102021589 Panama City Circuito RPC Television in Spanish 2300 GMT 30 Jan 89

[Text] A meeting of the Christian Democratic International opened in Panama City today with the participation of 14 member countries.

With political leaders from 14 different countries in attendance, the Christian Democratic International began a politburo meeting that will study conditions in democratic countries, the development of democratic systems, and violations of political rights in nations governed by a democratic system.

Among the delegates at the Christian Democratic International politburo meeting, which ends on 1 February are: Luis Herrera Campins, former Venezuelan president and current secretary general of the Christian Democratic International; Flaminio Picolli, Christian Democratic International president; Maria Pello de Guzman, president of the World Union of Christian Democratic Women; members of the European and Latin American parliaments; and the Panamanian opposition presidential and vice presidential nominees for the 7 May elections, Guillermo Endara, Ricardo Arias Calderon, and Guillermo Ford, respectively.

After opening the meeting, Herrera Campins said that the Christian Democratic International is holding its meeting in Panama because the organization supports the Panamanian cause and the Panamanian people's struggle to restore democracy in their country.

[Begin Herrera recording] We did not want to continue expressing our solidarity with the Panamanian democratic people only from abroad. We decided to come here and express that solidarity in the land where a great

struggle for democracy and freedom is taking place, just as it is in Central America and other parts of the world. We wanted Panamanians to hear our voice and feel our presence in their country.

Panama's struggle for a better future has not only committed the country's political forces—which are organizing themselves around specific doctrines and programs that they will implement when in power—but also the business, professional, labor, and peoples's forces. They are all part of one of the strongest and most admirable struggles ever waged in Latin America to defend human and political rights.

We hereby state and confirm our support for Panamanian democracy and reiterate our welcome for a united presidential nomination. This is the path chosen by Panamanians themselves to overcome the current political situation, which is based on force, with the minimum of difficulties, which will be many. [end recording]

Over 100 Businesses Expected To Close in Feb

PA3101215589 Panama City MEDIODIA in Spanish 30 Jan 89 p 2

[Text] Victor Collado, deputy labor and social welfare minister, has announced that the Coca-Cola bottling company is trying to destabilize the company labor union through misguided administrative employees and laborers.

Collado, who also announced that 101 firms will either close or reduce their personnel in February, stated that it seems as if the Coca-Cola bottling company, in alliance with certain individuals, is promoting the "solidarist trend" that would annihilate the autonomy of the company's union autonomy and is promoting belligerence in its dealings with the company.

Unfortunately, Collado said, a Labor Ministry employee participated in these events—this has been taken care of—and the Coca-Cola labor leaders will be granted a hearing this week so they can state their charges.

Referring to the closing of businesses and personnel cuts, Collado said that of the 501 firms he has visited, 101 will be forced to close, which means 500 workers will be jobless.

Regarding Decree 22, which regulates worker dismissal laws—it expires today, and the National Council of Organized Workers has requested an extension—the deputy minister announced that a Labor Ministry commission will propose to the executive branch that the decree be substituted and additional measures implemented to confront the imminent mass dismissals.

'Mysterious' U.S. Ship Causes 'Concern'

PA0102023389 Panama City Televisora Nacional in Spanish 2350 GMT 31 Jan 89

[Text] On 25 January, the U.S. Southern Command's Television Channel 8 showed film clips of a mysterious ship at Rodman Naval Station. The presence of this ship, the ARL-24, at Rodman over the past few days has caused some uncertainty in Panama.

According to experts, this ship is unique in its type. Although it is said that it is used to support the U.S. Armed Forces, it is no secret that its mission is electronic espionage.

The concern over the presence of the ARL-24 increased this week after it was learned that this vessel reportedly made a trip to Guantanamo Naval Base in Cuba, where it is known that the United States has highly specialized war materiel and Armed Forces personnel carrying out special missions throughout the region.

In view of the presence of this type of vessel, there was speculation in Panama City's diplomatic and military circles that the U.S. Administration could begin a sophisticated electronic war. According to these sources, in 1986 the United States used special means to neutralize Libyan defenses prior to its attacks on Tripoli and Banghazi. These same means were also used when Mozambican President Samora Machel was killed in an airplane crash. There was speculation that South Africa had participated in this action with powerful electronic equipment that forced Samora's plane to change its course.

The ARL-24, the mysterious vessel of the electronic war, could have similar missions in Panama, if we learn that the Republican administration still does not accept the presence of General Noriega as commander of the Panama Defense Forces.

A ship does not determine a decision, but it could very well set the course for future policy.

Argentina

Dead Terrorists at La Tablada Identified

PY3101132989 Buenos Aires DYN in Spanish 2020 GMT 30 Jan 89

[Excerpts] Buenos Aires, 30 Jan (DYN)—Federal Judge Miguel del Castillo this morning reported at court that Francisco Bellif, Horacio Pedro Luque, and Carlos Alberto Maldonado are among those who died during the takeover attempt at the 3d Infantry Regiment in La Tablada. Eleven dead terrorists have been thus far identified. [passage omitted]

MTP Leader Arrested in La Tablada Case

PY3101213889 Buenos Aires TELAM in Spanish 1456 GMT 31 Jan 89

[Excerpt] Buenos Aires, 31 Jan (TELAM)—Father Antonio Puigjane, one of the top leaders of the All for the Fatherland Movement (MTP), has been arrested and is being held incommunicado at the Moron office of the federal police. He has been placed at the disposal of Federal Judge Gerardo Larrambebere, who is carrying out the investigation into the group that attacked the 3d Infantry Regiment in La Tablada.

This information was provided by Federal Prosecutor Anibal Ibarra, who said that yesterday afternoon the priest presented himself voluntarily at the prosecutor's office at 1,147 Diagonal Norte Avenue in the federal capital in the company of a lawyer, whose name was not given, and of a superior of the religious order to which he belongs.

Some MTP leaders last week headed the takeover of the military unit in La Tablada, which was recovered by the military and security forces after a confrontation that caused the death of 35 persons and wounded dozens. [passage omitted]

Interior Minister Comments on Domestic Security

PY3101181989 Buenos Aires CLARIN in Spanish 29 Jan 89 p 5

[Excerpts] Asked about the possibility of a congressional inquiry into the recent events at La Tablada, Interior Minister Enrique Nosiglia said: "Responsibilities are not something abstract. If necessary we will render accounts of our defense of the domestic security, because the president is not the only one who should be held responsible for events in the country."

Nosiglia also denied any possibility of postponing national elections, as suggested by the Justicialist Party candidate Carlos Menem. "This is ridiculous; there is no possibility of it ever occurring," he said. [passage omitted]

Regarding the investigation into the La Tablada events, it has leaked out that the forces of order have found the building where the terrorist commandos trained for their armed operation and that it is in Moreno, Buenos Aires Province.

Commenting on the investigations, Nosiglia said the weapons used by the terrorists were not all modern and sophisticated, as rumors had stated.

He also that "Gorriaran Merlo and members of his family were almost certainly present at La Tablada. This detail has been repeatedly reported; the presence of terrorists and members of their families has been confirmed.

Nosiglia also said that what happened at La Tablada is completely unheard of. He added that this is the most serious crisis that the present administration has confronted.

Nosiglia added: "The president has described what we have recenlty experienced as the most serious and decisive incident this administration has experienced. I believe, however, that the current debate on this incident has overlooked one important issue: It has overlooked the fact that armed terrorism is a real possibility, even in a democracy, and that terrorism has deep roots in Latin American countries, particularly in Argentina." [passage omitted]

Nosiglia said: "Both the government and the political parties have adopted categorical positions on this incident. They agree that one cannot confuse political pluralism—the tolerance of different ideas—with how to deal with armed subversion. This administration believes this is a perfect opportunity to show that subversion can be dealt with in a responsible and effective manner, within the framework of the law and the state of law." [passage omitted]

Yacht's Arrival in Falklands 'Premeditated'

PY0101011989 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1955 GMT 31 Jan 89

[Excerpts] Buenos Aires, 31 Jan (NA)—Reliable sources today confirmed that the five crew members of the Argentine yacht "Patagon" arrived in the Malvinas Islands as part of a premeditated plan, as a "peaceful act of reaffirmation of sovereignty." Meanwhile, the Argentine Naval Prefecture continues to search for the yacht in Argentine waters because no one knows what direction the yacht took after leaving Puerto Argentino.

Although officials refused to confirm the report about the "premeditated" plan, reliable sources asserted that the intention of the travelers was to get to the Malvinas Islands, dock at Puerto Argentino, and raise the national flag. This was admitted by the yacht's owner, "Tony" Lopez, Argentine, 30, to his friends before the trip.

Also, issue No 6 of the weekly EL OTRO, which is run by Victor La Pena, published on 26 January on its front page a headline that speaks for itself: " 'The Patagon' Is Getting Ready To Get to the Malvinas Islands." This information gives more credibility to the assumption that the yacht did not arrive in the islands administered by the British by chance.

It has been learned in some circles that the yacht's crew members are idelogically identified with the rightist sectors, but others say they support Peronism.

Sources of the Naval Prefecture also said that the friends of the yacht's captain, Argentine Javier Brizuela, 32, admitted that the crew members wanted to get to Puerto Argentino, and that this is why they did not maintain any contact with the maritime posts after they left Puerto Deseado on 24 January, supposedly en route to Mar del Plata.

Also the father of "Patagon" crew member Ariel Lopez, Argentine, 23, today told Radio Rivadavia that the travelers "had talked about the possibility of getting to the Malvinas Islands because they would be the first Argentines to deceive the defenses of the British Navy, but only as an adventure and nothing else." [passage omitted]

In the meantime, two coast guard cutters of the Naval Prefecture and a PA-62 airplane are searching in the Argentine sea because the "Patagon" is maintaining radio silence and the direction it took after leaving Puerto Argentino escorted by a British ship is not known.

The search operation is being conducted by the coast guard cutter "Thompson," which is searching for the yacht near the 200-mile zone in the area known as "Lateral Puerto Madryn", because it is directly off that city, by the coast guard cutter "Mantilla" in the area of Puerto Deseado, and by a PA-62 airplane that provides air support. [passage omitted]

Regarding the way the travelers deceived the British defense system deployed in the Malvinas Islands, it has been learned that the "Patagon" crew members reportedly used a screen that refracted the radar waves, making them return to their point of origin [as received].

In this regard the father of Ariel Perez commented that "security around the world is not as effective as some say..." and that "the less than effective security" probably annoyed the British high command.

Brazil

Congress Approves Gist of Summer Plan

PY3101154789 Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 Jan 89 p b-1

[Excerpt] At 0430 yesterday, Congress approved unchanged Provisional Measure Number 32, whereby the executive branch froze prices and salaries, created the new cruzado, and canceled the indexation of the economy. The gist of the Summer Plan was approved by a vote of 245 to 46 in the Chamber of Deputies, and by a vote of 40 to 6 in the Senate. The session ran from 2130 Friday to 0530 Saturday amid tumult, interruptions, and attempts at obstruction.

Deputies and senators will again meet at 1400 on Tuesday to vote on Provisional Measure Number 36, which partially alters the salary policy of the Summer Plan, allowing salary losses in January to be compensated for in three installments, beginning in March. [passage omitted]

Energy Agreement Signed With Bolivia

PY3101025389 Brasilia Domestic Service in Portuguese 2100 GMT 30 Jan 89

[Text] Brazilian Foreign Minister Abreu Sodre and Bolivian Energy and Hydrocarbons Minister Fernando Illanes today at Itamaraty Palance signed an agreement by which Brazil will purchase gas, polyethylene, and ammonia from Bolivia. The agreement also foresees the Brazilian use of the energy potential of the Esperanza Falls near La Paz.

7,000 Stores Fined for Violating Price Freeze

PY3101025589 Brasilia Domestic Service in Portuguese 2100 GMT 30 Jan 89

[Excerpt] In the 15 days since the Summer Plan was implemented, SUNAB [National Superintendency of Supplies] inspectors have had to fine 7,000 of the 10,000 stores they inspected. According to the SUNAB head, most were fined for violating the price freeze. [passage omitted]

Colombia

Barco Calls Cuba Region's 'Foremost Promoter'

FL3001163689 Havana Tele-Rebelde Network in Spanish 1200 GMT 30 Jan 89

[Text] Colombian President Virgilio Barco has said that Cuba is the foremost promoter of regional policy. He said that there has been no other time in history that is as good as now for Latin American and Caribbean integration.

In an interview granted to EL NACIONAL newspaper in Caracas, the Colombian leader said that his country feels Cuba's return to the OAS would be a demonstration of unity.

Also, Uruguayan President Julio Maria Sanguinetti has arrived in Colombia at Barco's invitation. He was received at the Dorado International Airport by Colombian Foreign Minister Julio Londono Paredes. Sanguinetti told the press in Bogota that he does not believe the foreign debt can be solved by a single act or procedure.

Commercial Flight Hijacked With 116 Aboard

PA3101171889 Paris AFP in Spanish 1653 GMT 31 Jan 89

[Text] Bogota, 31 Jan (AFP)—Colombian commercial flight HK-3246 with 116 persons aboard was hijacked today between the Colombian island of San Andres in the Caribbean Sea and the city of Medellin, Bogota's civil aeronautics has reported.

Jaime Perez, captain of the ACES Airlines flight, was forced to change course and head for San Jose, Costa Rica, where the plane is scheduled to arrive within 40 minutes.

Passengers Freed in Costa Rica

PA3101181589 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 31 Jan 89

[Report by Monica Rodriguez and Antonio Jose Caballero]

[Text] [Caballero] An ACES Airlines Boeing-727 jetliner, registration HK-2346, with 118 [as heard] passengers aboard has been hijacked and detoured to Costa Rica, pilot Jaime Perez has reported.

[Rodriguez] The plane was hijacked while en route from San Andres to Medellin at approximately 1050. Initially the plane was commandeered to Panama, and then was forced to fly to Costa Rica; the passengers apparently have been released.

[Caballero] Yes, Monica. We have good news from Juan Santamaria Airport in San Jose, Costa Rica. The 122 [as heard] occupants of the ACES Airlines plane—we repeat HK-3246 [as heard]—traveling from San Andres to Medellin and hijacked to Juan Santamaria Airport in San Jose, Costa Rica, have been released. The hijackers are now at the disposal of the authorities. Apparently there are two or three hijackers, one of which turned himself in to the authorities. Government-to-government talks are now being held to see when the plane will be returned to Colombia.

[Paris AFP in Spanish at 1726 GMT on 31 January reports from Bogota that the plane is on the tarmac of the airport in San Jose and the crew is requesting fuel.]

Nicaraguan Citizen Hijacker

PA3101211389 Panama City ACAN in Spanish 2014 GMT 31 Jan 89

[Text] San Jose, 31 Dec (ACAN - EFE)—A Nicaraguan identified as Albin Anthony Siu Moses, a resident of Colombia's San Andres Island, hijacked an ACES Airline Company airplane today, because he wanted to be reunited with his relatives in Jamaica, Miami, or Nicaragua. Rodrigo Chavez, deputy director of the Costa Rican Intelligence and Security Directorate, made the announcement. The hijacked Boeing 727, with 116 passengers aboard, arrived in Costa Rica at 1700 GMT. Chavez also reported that three persons arrested in San Jose on suspicion of being the Nicaraguan's accomplices were released after it was determined they had no connection with the hijacking.

* Debt Servicing Payments Seen as Burden

33480083b Bogota LA REPUBLICA in Spanish 24 Dec 88 p 6A

[Article by Jairo Sandoval and Henry A. Rodriguez]

[Excerpts] Bogota (Colprensa)—The Colombian foreign debt has become a time bomb whose danger remains latent, and it threatens to destabilize national economic development.

If we Colombians wanted to pay off the foreign debt, we would have to spend $17.5 billion. Every child born in the country comes into this world owing more than 117,000 pesos.

In 1989 we Colombians will have to pay the chilling sum of 407.923 billion pesos to 73 governments, entities, and foreign banks to service the debt.

This problem has become a common denominator for the countries of the Third World, and it is so serious that many nations run the risk of destabilizing democracy.

Colombia has operated for many years under the "dilemma of the sphinx": either obtain economic resources to finance social development programs, or pay the debt service.

Pay, sure, but with what? That is the question that is being asked from the highest reaches of the government economic team down to the average Colombian who is concerned about the problem.

The Bank of the Republic says in its most recent publication that the national foreign debt amounts to $16.524 billion, of which $13.323 billion corresponds to the public debt and $3.401 billion to the private debt.

In the discussion of the budget for next year, it was noted that the external situation is disturbing, given that in 1989, because of the concentration of amortizations over the next 2 years, the gross amount of money that must be paid totals $2.25 billion, of which $200 million is contracted.

For this reason, the government has decided to turn to the foreign market to look for the other $1.85 billion it needs to pay what it owes on the debt service. [passage omitted]

No Dogma

At any rate, the country enjoys an international reputation as a "good payer," because it has pursued some policies that have kept the economy in good health.

"There is general agreement that the country's macroeconomic policy is being well managed. Colombia has a position of privilege within the spectrum of indebted countries, and it is one of the nations that offers the least risk of exposure to the financial community," said the minister.

The official's assessment is backed up by a survey by the American magazine INSTITUTIONAL INVESTOR, which shows that international banks' confidence in Colombia has risen so high that it ranks first on the list of countries with the best reputations, followed by Trinidad and Tobago and Venezuela.

In view of these circumstances, Colombia has stated inside and outside the country that it does not want to reschedule or renegotiate the foreign debt.

Nonetheless, the position does not appear to be dogmatic. Alarcon Mantilla explained that if the $1.85 billion cannot be obtained, "an agreement will be sought with the banks to restructure the foreign debt."

Just in Case

To confirm the lack of dogma, and in view of the continued difficulty in obtaining credit, "just in case," the government has decided to support a bill authorizing the executive branch to renegotiate the debt whenever the Council of Ministers deems it appropriate.

This initiative was approved unanimously in Congress, and is lacking only President Virgilio Barco Vargas' signature to become the law of the land.

This bill gives Colombian legislation a legal instrument under whose auspices any type of renegotiation of the public foreign debt could take place.

The decision to reschedule the foreign obligations is simply an agreement with the banks to postpone the payment of interest and principal, which implies a zero flow of resources upon the suspension of disbursements by the country.

Some observers believe that the government supported the bill for two purposes: first, to pressure international bankers to speed up approval of the "Challenger" loan; and second, to prepare the mentality, the atmosphere, and the legislation necessary to deal with an eventual rescheduling of the debt. [passage omitted]

*** Government, Fedecafe Sign New Agreement**
33480083a Bogota EL ESPECTADOR in Spanish 23 Dec 88 p 7-A

[Article by Efrain Pachon: "Government Strengthens Its Power in National Coffee Fund"]

[Text] The government reinforced its power in the handling of the funds belonging to the National Coffee Fund and in the decisions made by this organization, as well as the supervision and control of its operations.

These new powers were granted in the contract signed yesterday between the executive branch and the National Federation of Coffee Growers (FEDECAFE) to administer that entity for 10 years. The pact will take full effect as of 1 July next year.

The objective is to shed more light on the operations of the Fund, which manages more than 450 billion pesos in public resources.

The contract also seeks the sale of stock held by that entity in businesses that do not have a clear relation to the objectives set forth at the time of its creation. The stock sales will begin next 30 June.

Upon signing the new agreement with the FEDECAFE, President Virgilio Barco stated that the modifications proposed by his administration reaffirm the government's ability to orient and manage the Coffee Fund.

He went on to note that cooperation between the government economic team and the coffee growers association has been strengthened.

The chief of state alluded to the bill that was discussed in the Congress of the Republic to create an industrial and commercial enterprise that will manage the Coffee Fund. He declared, in this regard, that the principal conclusion reached was that the plan contained in the contract with the Federation is the most appropriate one for regulating the Fund's operations.

"With this contract the government has reaffirmed the state's capacity to orient the management of the Fund's resources. It has succeeded in doing this without damaging the mechanisms that ensure the flexibility of the Federation's management, and at the same time, cooperation has been strengthened," he commented.

"I am certain," he added, "that this agreement has left the coffee institutions in a better position to face the challenges of the coming years with success."

In turn, FEDECAFE General Manager Jorge Cardenas Gutierrez stated that the contract that will take effect on 1 January to manage the Coffee Fund is a good interpretation of the development and consolidation of the economy in the last 50 years.

"Every contract is an opportunity to evaluate the management of the Fund's resources and to point the way to the future. This has been done on this occasion, and the Federation can be satisfied with the progress that has been made in the last 10 years," he emphasized.

In reciting a brief history of this industry, he noted that coffee growing in Colombia has attained its majority, and thus has substantially boosted the volume of exports, the diversification of markets for coffee, and its participation in trade, as well as the generation of foreign exchange for the country.

Above all, however, there has been a very important improvement in the income and living conditions of coffee-growing areas, he stressed.

Cardenas Gutierrez thanked President Barco, Finance Minister Luis Fernando Alarcon Mantilla, and Vice Minister Arturo Ferrer Carrasco for their help in seeking ways of adding to the flexibility of the Coffee Funds' management.

"I am certain that the Federation will be able to perform the duties acquired under this agreement with loyalty and efficacy, just as it has done with proven solidarity in its history of over 60 years," he added.

Clauses

In his speech, President Barco summed up the most important points of the changes made in the agreement:

- A series of prohibitions and disqualifications are established for all employees of the Federation and members of the committees who are involved in the management and allocation of public resources so that they will observe rules of behavior similar to those that the law requires of civil servants, given the public nature of the resources they must administer.
- The procedures for managing coffee instruments are modified; specifically, the government's capacity for analysis and participation in the coffee policy is assured with the permanent contribution of two high-level advisers.
- The accounts of the Fund are separated for accounting purposes according to their different objectives. In addition, major changes are made in the process of studying, approving, and executing budgets, always with government participation.
- As of 30 June 1989, the stocks that the National Coffee Fund owns in businesses that do not have a clear relation to the Fund's objectives will be sold.
- Mechanisms are laid down so that the budgets of the Coffee Committees for the construction of economic and social development projects will be coordinated with the department's investment plans. In this way, the criteria in the struggle against poverty will be made compatible; confidence in the mechanism of the Departmental and Municipal Coffee Growers Committees will be strengthened; and the amount of resources channeled toward coffee-growing regions will be stabilized.
- In the future, investments and spending by the Fund will be determined after careful evaluations of efficiency in terms of costs and alternatives.
- The National Planning Department will study the draft budgets for the Fund to measure their impact on the country's economy.
- Spending on marketing and diversification of the coffee market will be analyzed by specialized committees prior to execution.
- Controls will be improved and extended to all spending carried out by the Federation and the Departmental Coffee Growers Committees with resources from the Coffee Fund.

All of these changes in the contract were subject to a wide-ranging discussion between the representatives of the government and those of the growers association. Some of the points mentioned, especially controls, caused confusion and dismay among the coffee growers. Nonetheless, at the last moment a full understanding was reached, and the document was signed yesterday noon.

The ceremony, which was held in the Casa de Narino, was attended by the ministers of agriculture, foreign relations, finance, and development, plus members of the Department of Planning and the administrators of the firms of the so-called Coffee Group, including the manager of the Coffee Bank, Joroe Humberto Botero.

[Box, p 7-A] Severe Controls

An examination of the text of the contract signed between the government and the FEDECAFE reveals the special supervision and control that the Office of the Comptroller General of the Republic will exercise over the funds of that organization.

The inspections extend to the specific spending allocations carried out by the Departmental Coffee Growers Committees.

The Federation must make an accounting and ownership distinction between the assets acquired with its own resources and those that correspond to the Coffee Fund, beginning on 1 January 1979, including those administered by the Departmental Coffee Growers Committees.

As for information, the Federation will assume the following obligations:

- Submit a monthly report to the government, via the finance minister, that reflects the financial status of the Fund and the cash flow corresponding to the immediately preceding month.
- Provide the executive branch during the first quarter of each year with the consolidated balance sheet for the period up to 31 December of the previous year. This balance sheet must be approved by the National Coffee Growers Committee, audited and endorsed by

the Office of the Comptroller General of the Republic, and published in at least two daily newspapers with wide national circulation.
- Provide in a timely manner the information requested by the Office of the Comptroller and the government advisers with respect to the Fund's activities.
- Report at least once a year to the coffee growers who belong to the Federation, by means of a written bulletin, on the situation in the Fund and in the coffee industry.

[Box, p 7-A] Coffee 'Superminister'

Among the new clauses of the contract signed between the government and the Coffee Growers Federation for the administration of the Coffee Fund is a clear stipulation that the finance minister will from now on determine the orientation and investment of the funds that are obtained under extraordinary circumstances because of coffee bonanzas.

In this regard, it states the following: "When extraordinary revenues are earned from foreign coffee sales, the National Coffee Growers Committee, with the favorable vote of the finance minister, shall decide on the allocation and investment of such revenues, giving priority consideration to the objectives of the National Coffee Fund."

It also indicates that the members of the committee who are elected by the growers association may not have any greater voting power than the representatives of the government in this body, which is to be composed of the ministers of foreign relations, finance, agriculture, and development, the chief of National Planning, and the manager of the Agrarian Fund.

The finance minister will have as many votes as are necessary to balance the voting power of the government and that of the coffee representatives.

When there is a tie vote on a given measure, the president of the republic will break the tie.

Ecopetrol Reports ELN Attacks on Pipeline

PA3101002689 Buenos Aires REUTER in Spanish 1817 GMT 28 Jan 89

[Text] Bogota, 28 Jan (REUTER)—Ecopetrol [Colombian Petroleum Enterprise] announced today that a new wave of guerrilla attacks on Colombia's most important oil pipeline has caused at least 5,000 barrels of oil to be spilled.

A communique reported that yesterday the pro-Castro Army of National Liberation, ELN, dynamited the Cano Limon-Covenas oil pipeline for the third time in less than 72 hours. The sabotage occurred in a rural sector of Norte de Santander Department.

"The pumping of oil to the Cartagena Refinery and exports through the Covenas terminal have been suspended," Ecopetrol said.

An earlier attack on Friday took place near Km 445 of the pipeline. The communique maintains that due to bad weather in the area it was not possible to determine the extent of the damage in the latest attack. The Ecopetrol communique states that in the first two attacks some 5,000 barrels of crude were spilled, causing an undetermined amount of environmental damage from oil spilling into the region's rivers and streams.

The authorities expressed surprise at the sabotage because the ELN had suspended dynamite attacks on the oil pipeline since the middle of last year. The ELN is using these tactics to pressure the government into revising contracts with foreign firms.

In the 1st half of 1988 the rebels carried out 50 attacks on the pipeline, spilling some 350,000 barrels of crude and causing losses of $300 million in repair costs and in lost crude oil exports.

The Ecopetrol press office said yesterday that the pumping and export of crude oil will be resumed on Monday.

The Cano Limon-Covenas pipeline carries some 210,000 barrels of crude oil a day from the Cravo Norte, the country's most important oil field in Arauca Department, near Venezuela, to refineries on the Caribbean coast. Cravo Norte is being exploited by means of a contract between Ecopetrol and two foreign companies: Occidental and Shell.

Police Discover, Destroy 3 Cocaine Labs

PA3101155389 Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 30 Jan 89

[Text] The antinarcotics police today destroyed three laboratories that processed almost 500 kg of cocaine a day in the vicinity of Sonson, Antioquia Department. Our reporter Mari Villalobos was there and gives us the details of the operation, in which eight persons were arrested:

[Begin recording] The three Medellin Cartel drug traffickers' electricity plants that were seized and destroyed by the police had enough power to provide seven municipalities with electric light. The plants were not the only equipment installed in the heart of this middle Magdalena region in Antioquia; there was also a sophisticated laboratory camouflaged by the trees, where an army of 150 persons lived and processed cocaine paste. The labs were fully equipped with, among other things, 1,200 bottles of acetone, 2,800 bottles of ether, 25 microwave ovens, 150 beds, and 13 refrigerators. The equipment has been valued at 600 million pesos. This drug industry facility produced between 500 and 600 kg of cocaine a

day. The drug traffickers abandoned the facilities because the sound of helicopters alerted them to the impending police operation.

The factory was so sophisticated that below the jungle vegetation the drug traffickers had a powerful radio system and showers. Brasilea farm, which is close to the laboratory, was also raided, but its workers said that they have not seen anything and do not even know who the owners of these lands are. So many millions [not further identified] were produced here that the owners constructed a 6-km road that leads to the Medellin freeway, (Adoraral), and the Puerto Triunfo zoo. Eight persons—but no top leader—were arrested at this modern laboratory. The operation was just one of first blows by the National Police in what the police have called its Spring Operation, which will cover the entire country. [end recording]

Peru

Garcia Comments on Outcome of Economic Program

PY3101155489 Lima Television Peruana in Spanish 0100 GMT 31 Jan 89

[News conference by President Alan Garcia in Government House, date and time not given—recorded]

[Excerpt] [President Garcia in progress] in the 2d half of 1988. This economic program, which was introduced in three packages in September, November, and January, has addressed the most important point, and has helped to solve the most difficult economic problems.

Since September the foreign exchange deficit has been closed. That means removing the difference between the dollar for exports and the dollar for imports, a difference that forced the Central Reserve Bank to print large quantities of currency bills.

Since September, subsidies on food products, which represented an important part of the fiscal deficit, have been cut from 100 million [currency not specified] to less than 30 million in January.

Also since September, imports, which had greatly increased in the past 2 years, have been reduced. Peru now spends less dollars. This is what has been accomplished through the Economic Program that was implemented on 5 September, and enhanced on 22 November and on 5 January.

We have to agree that a serious problem remains: The manner in which the measures have been implemented has created expectations, uncertainty, and insecurity. People are always asking when the next package of measures will be issued; how much will the dollar cost for imports; what will be the price of gasoline. Consequently, serious doubts arise which lead people to believe that the latest package of measures in January was improvised, that it just removed controls established before, and that we don't know where we are going. I want to assure the country that we do know our objectives: To reduce the fiscal deficit, to control imports in order to save our dollars, to promote exports, and to gradually bring down subsidies. This is fundamental and it has been achieved.

However, as I have said, the way we have gone about it has generated much uncertainty. For instance, there are a lot of people who are wondering what will the dollar exchange rate be on the Single Exchange market. It is now pegged at 700 intis but some say that it may go up to 2,000 intis. Rumors spread, and figures are mentioned. Some say the exchange rate may go to 1,500, 2,000, or even 3,000.

The ordinary citizen is thus engulfed in uncertainty and goes to the Ocona street parallel dollar market to buy dollars at any price because he fears the official dollar will be heftily devalued. This happens because the Economic Program has not been properly explained to the country. We have such a program. The fact that targets have not been specified in figures and dates is responsible for the uncertainty in which people live. This error must be corrected.

I can tell you that the purpose of the Economy Ministry is to present an overall program—not just a package of measures—quantifying its objectives for the coming months. For instance, it should announce what the official dollar exchange rate will be in February, March, April, May, and June. In this way, the ordinary citizen will have an idea of what the government is doing and what the government intends to do. Many people believe that the official dollar exchange rate could jump from 700 to 2,000 through a single government measure. This would not make sense economically, but many believe that it could happen, just because the government has not said what the official dollar rate will be in February, March, April, May, and June.

The Economy Ministry will soon announce the overall plan and the targets. It will announce what the dollar for imports will cost, that will be the price of regular gasoline and kerosene. This is fundamental information for industrialists and merchants to do their calculations on well-established bases. If the people do not know what the government will do with the dollar in April they may believe that the dollar could hop to 5,000 or 8,000, and base their calculations and set their prices on such assumptions.

We will make known a plan for the coming months, and the Economy Ministry will announce the dollar rates for February and March. For instance, if the dollar moves from 700 to 900 or 950, the Economy Ministry should say what price the government will set for the dollar in March, maybe 1,100 and in April maybe 1,300.

Thus, the people will have points of reference with which to calculate their costs, their prices. They will not have to live in inflationary uncertainty. The same thing applies to gasoline, kerosene, and to salaries, which as a rule must be adjusted by the previous months inflation so as to protect earnings, which were already hit and eroded by the September package of the Economic Program.

This is what I want to tell the country. We do have an Economic Program which was set in motion in September, but its overall scope must be made known in terms of figures and dates.

The Economy Minister will talk about important matters such as the dollar price and fuel prices, on which all other prices depend. This program aims at bringing inflation below 10 percent by May or June, at keeping down the dollar exchange rate without wide devaluation jumps yet keeping it high enough to stimulate exports, at gradually reducing subsidies over the next 4 months, and lastly at readjusting salaries to the level of monthly inflation.

I want to tell you that we defend a policy of gradual correction of problems. We do not believe in shock policies as proposed by the international organizations, that is, to remove all subsidies overnight, to let the dollar float on the market at any price, or to hike all public utility rates to competitive market prices. We are not in favor of such shock policies because they would dramatically hit the poorest people, and set back the production process. We do not believe in this sort of supershock. We believe in gradualism. Our mistake, however, has been not to make known how we will gradually handle these matters.

This mistake has given rise to uncertainties. There are people who, in good faith, believe that the dollar could jump from 700 to 1,500 or 2,000, and they are uncertain.

I have told you that we will make known the overall Economic Program, that the future monthly prices of the dollar and gasoline will be set, and that the salary policy will adjust for monthly inflation. I believe that releasing this information is important to eliminate the uncertainty and insecurity that has caused the dollar in the Ocona Street parallel market to be sold at 2,500 intis, and then to drop to 1,800.

We believe that it is important for people to have reference points that are fundamental for guiding their economic activities. I repeat that we will continue to pursue the objectives of our economic policy, so that Peru may overcome this acute crisis and resume its economic growth. Thank you very much. [passage omitted]

Only 20 Percent Observe Transport Strike

PY3101014289 Lima Television Peruana in Spanish 1800 GMT 30 Jan 89

[Excerpt] The 24-hour strike announced by the public transport sector is being observed partially in Lima. Numerous part-time drivers are cooperating with the working class and driving them to work.

Councilman Osvaldo Moran has announced that he will sanction those who observe the measure. [passage omitted]

[Begin Moran recording] It has been confirmed that 80 percent of the public transport drivers are serving the citizenry. Therefore, only 20 percent are observing the measure. Because of the normal shortage of public transportation in Lima, the city has felt this partial strike at some hours of the day. This is just a strike of the sector's leadership, which is very distant from its grass roots. The majority is working. This shows that the leadership only has the support of 20 percent of the public transportation sector. [passage omitted]

Venezuela

Arrivals, Activities Reported for Inauguration

Castro 'Will Attend'

PA3101235789 Buenos Aires REUTER in Spanish 2332 GMT 31 Jan 89

[Excerpt] Caracas, 31 Jan (REUTER)—A spokesman for Venezuelan President-elect Carlos Andres Perez has said that Cuban President Fidel Castro will attend the inauguration ceremony, but the date and time of his arrival have been kept secret for security reasons.

Pastor Heydra said at a news conference today that Castro "will definitely come" but that the date and time of his arrival will not be announced.

His statement cleared up questions about Castro's presence in Caracas created by a lack of official confirmation. [passage omitted]

Ortega, Others Arrive

PA0102015589 Caracas Venezolana de Television Canal 8 in Spanish 0005 GMT 1 Feb 89

[Report by Martin Pacheco from the Simon Bolivar International Airport in Maiquetia, Caracas]

[Text] Four of the six presidents scheduled to arrive in Venezuela today have arrived.

The presidents of Dominica, Fiji, Nicaragua, and Portugal landed at the Simon Bolivar International Airport within ½ hour of each other today. They have come to Venezuela to attend the presidential inauguration of President-elect Carlos Andres Perez.

The presidents arrived at the airport in Maiquetia today amid strict security and rigid protocol.

The welcoming ceremonies were the same for the four presidents. Venezuelan Foreign Minister German Nava Carrillo welcomed them at the northern end of the main

runway, where the authorities had set up a stand occupied by Foreign Minister Nava, the Foreign Ministry protocol department director, and the ambassador of the country of the arriving president.

Honors were paid as soon as the presidents stepped on Venezuelan soil. Dominican President Clarence Augustus Seignoret was first to arrive. A small plane belonging to that Caribbean island transported him to our country along with a small delegation. Later, Fijian Prime Minister President Ratu Sir Kamisese Mara arrived in Venezuela. In the afternoon, a Cubana de Aviacion Boeing 727 arrived with Nicaraguan President Commander Daniel Ortega and a large delegation, including Rafael Solis, Nicaraguan National Assembly 1st secretary and BARRICADA newspaper Director Carlos Fernandez Chamorro among others.

Despite the rigid protocol, we managed to talk with Commander Ortega, who said he was very pleased to be in Venezuela.

[Begin recording] [Ortega] Greetings to the Venezuelan people.

[Reporter] Thank you very much President. [end recording]

The fourth president to arrive in Venezuela was Portuguese President Mario Soares, who was accompanied by Portuguese Communities State Secretary Manuel Correia de Jesus, Portuguese Cabinet Chief Joao Nunez Barata, and two military assistants. A large delegation of Portuguese businessmen residing in Venezuela welcomed President Soares.

Each president was immediately transferred to his hotel by special security committees.

Welcoming ceremonies for the remaining presidents will be held tomorrow at the Simon Bolivar International Airport. President Jaime Lusinchi will come to the airport with Foreign Minister Navas early in the morning to welcome Guatemalan President Vinicio Cerezo, Colombian President Virgilio Barco, Guyanese President Desmond Hoyte, and Ecuadoran President Rodrigo Borja. The rest of the presidents invited to the ceremony—which is to be held at the Tereza Carreno Theater on 2 February —are scheduled to arrive tomorrow afternoon.

[Caracas Venezolana de Television Canal 8 in Spanish at 0034 GMT on 1 February reports the arrival of Felipe Gonzalez, prime minister of Spain, and EEC representative to the inauguration.]

Ortega Interviewed

PA0102015889 Caracas Venezolana de Television Canal 8 in Spanish 0049 GMT 1 Feb 89

["Exclusive" interview with Nicaraguan President Daniel Ortega by Noralba Jimenez in the lobby of the Caracas Hilton Hotel—live]

[Text] [Jimenez] What can you tell us about the talk you held with Venezuelan President-elect Carlos Andres Perez?

[Ortega] We talked about everything.

[Jimenez] What were the most important topics?

[Ortega] We talked about peace in Central America and the efforts to strengthen Latin American unity.

[Jimenez] Do you plan to hold other talks during your visit to Venezuela?

[Ortega] Yes, of course.

[Jimenez] Do you plan to talk with others?

[Ortega] We talked about the regional situation and about the Latin American role in the search for peace in Central America. Above all, we discussed Central America.

[Jimenez] Will you meet with others?

[Ortega] I will meet with the Central American political leaders, as well as with other Latin American and European leaders who will be here.

[Jimenez] Is there any possibility of a meeting with U.S. Vice President Dan Quayle?

[Ortega] I have not heard anything about such a meeting.

[Jimenez] Would you like to have such a meeting?

[Ortega] Yes, of course. We will speak with Fidel. [as heard]

OPEC's Subroto Arrives

PA3101135489 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 30 Jan 89

[Text] OPEC Secretary General Ali Subroto has arrived in Venezuela. The other guests who have been invited to the Caraballeda meeting will arrive today and tomorrow.

Subroto said that at the Caraballeda meeting, Venezuela's OPEC representative, Minister Julio Cesar Gil, and President-elect Carlos Andres Perez will be informed of the results of the technical meeting of OPEC and non-OPEC countries held last week in London. Subroto explained that the results of that meeting are quite positive. He added that the participants at the

London meeting discussed basic points and that the non-OPEC members agreed to fully support the establishment of oil prices at $18 a barrel.

Subroto also said that the participants were very optimistic about OPEC duties, and especially optimistic about organizing the efforts of OPEC and non-OPEC countries to stabilize the oil market.

Several plans for the 2d half of the year have been devised and mechanisms to carry out those plans have been announced. During the 2d half of the year, a drop in demand would weaken the oil market.

Julio Cesar Gil, who is escorting Subroto during his visit to Venezuela, agreed that the Caraballeda meeting is a good way to further consolidate OPEC's plans.

[Begin Gil recording] The Caraballeda meeting is informal. I do not think our expectations should be too high. We will discuss oil market issues and OPEC's plans for this year. Above all, I think this meeting will contribute to strengthening ties between Venezuela and the countries that will be represented at this meeting. [end recording]

Honduran President on Peace

PA3101125589 Tegucigalpa Cadena Audio Video in Spanish 1202 GMT 31 Jan 89

[Text] Honduran President Jose Azcona is the first foreign leader to arrive in Venezuela for the inauguration of Carlos Andres Perez. Azcona said Central American peace depends on Nicaragua's democratization. Shortly after his arrival in Caracas, Azcona said: Efforts for Central American peace must be carried out by all governments of the region, but the greatest contribution must be made by Nicaragua because it is the main center of conflict.

The Honduran president was welcomed at the Carlota metropolitan airport by Venezuelan Foreign Minister German Nava Carillo on Sunday afternoon. Azcona said he has not lost hope of a political solution to the Central American situation. He also reiterated his criticism of the Nicaraguan Government because it has not undertaken a real democratization. It is very easy to govern with your enemies in jail, he said, adding: It is very important that full political freedom exists and that the next elections be guaranteed with electoral tribunals in which the government cannot interfere.

Azcona admitted that Nicaragua's democratization will not be easy and that the Sandinist government might even have problems with its own supporters. He said President Daniel Ortega should deal with his responsibilities, open jails, and seek national reconciliation.

Azcona denied that his government is arming or in any way is supporting the anti-Sandinist rebels. However, he did admit that some of the rebels have taken refuge in Honduras. He said: It is true that some of the counterrevolutionaries are in Honduras. What happens is that they cannot continue fighting because their military aid was cut off so they have returned to Honduras and are located in a very remote area.

Azcona did not rule out the possibility that during the Perez inauguration there will be an informal summit of Central American presidents, which would bring about an agreement prior to the San Salvador meeting scheduled for 8 and 9 February.

Costa Rica's Oscar Arias, Guatemala's Vinicio Cerezo, and Nicaragua's Daniel Ortega are scheduled to arrive in Caracas today. The only one who might be absent is Salvadoran President Jose Napoleon Duarte because of his illness.

Perez, who was Venezuelan president from 1974 to 1979, is a firm supporter of the reactivation of the Central American peace efforts through the Esquipulas II agreement. It is almost certain that he will take this opportunity to obtain commitments from the region's presidents for the continuation of the peace efforts.

Suriname

Bouterse: 'Government Hasn't Kept Its Promise'

FL3101133089 Paramaribo International Service in English 1730 GMT 30 Jan 89

[Text] Commander Desi Bouterse during a metting yesterday in (Commewijne) urged the government to give content to democracy. Bouterse was speaking at the start of a mobilization campaign to mark the ninth anniversary of the 25th of February of the revolution.

The commander is of the opinion that the government hasn't kept its promise. He says, for example, that although the (?front) government has been in power for 1 year now, democratic structure for the operation of the districts and (?reservoirs) haven't been put into place. Bouterse also severely criticized the government adding that the government policy isn't in the national interest. Bouterse called on the government to take measures in favor of the welfare of the Surinamese people.

President Shankar Decorates Soviet Ambassador

FL3101135389 Paramaribo International Service in English 1730 GMT 30 Jan 89

[Text] President Ramsewak Shankar has last Friday decorated Soviet ambassador to Suriname, Igor Bubnov, with the Order of the (?Farm). The Soviet ambassador has completed his stint in Suriname.

During the ceremony at the Presidential Palace, the Surinamese head of state praised the dedication and ability of Ambassador Bubnov. The government has great respect for the way in which Ambassador Bubnov brought the two nations together, said President

Shankar. Igor Bubnov has been his country's ambassador to Suriname for 6 and ½ years. He was also the head of the diplomatic force in Suriname.

The ceremony was attended by high officials, including Vice President Henck Arron and Assembly Chairman Jaggernath Lachmon.

Netherlands Wants To Internationalize Aid
FL2701165789 Hilversum International Service in English 1030 GMT 27 Jan 89

[Text] The Dutch minister for economic affairs, Rudolf de Korte, has suggested that Brazil should supply technical assistance toward Netherlands' development projects in Suriname. Mr de Korte is visiting Brazil with a delegation of high officials and representatives of Dutch industry and business.

Netherlands development aid to Suriname, a Dutch colony until 1975, is based on a bilateral treaty. Suriname has no desire to change this but The Hague has repeatedly declared it would prefer to internationalize the aid.

In talks with the Brazilian Foreign Minister Abreu Sodre, Mr de Korte found high level of Brazilian interest in Surinamese economic development and the accompanying process of democratization following a period of military rule.

India To Continue To Work With Nation
FL3101195489 Paramaribo International Service in English 1730 GMT 31 Jan 89

[Text] The year of 1988 has been of significance for the relations between India and Suriname. This was stated by India's ambassador to Suriname Bachu Prasad Sinha, during a reception to commemorate India's 42nd anniversary of independence.

The ambassador pointed out that two important Indian delegations visited Suriname last year. He said that India also wants to share its expertise and experience with others. Within this framework, five Surinamese are currently undergoing studies in India.

The ambassador finally [words indistinct] that Suriname and India will continue working toward progress through mutual cooperation and understanding.

Workers Criticize Poor Food Distribution
FL2701211889 Paramaribo International Service in English 1730 GMT 27 Jan 89

[Text] Yesterday morning, the workers at market [words indistinct] dumped an amount of spoiled rice on the steps of the vice president's office. With the action, the workers wanted to demonstrate their dissatisfactions about the fact that their problems have been neglected for more than a year.

A spokesmen for the workers told the press that they report to work every morning but they have nothing to do. Discussions with the vice president and the minister of economic affairs have yielded no results. The spokesman said the workers will go on dumping rice on various locations.

The rice in question was [word indistinct] some 2 years ago but was never distributed and has subsequently gone bad. The spokesman said the dumping of the rice was meant to show the public how the government handles costly food items. He said the actions will continue until the problems of the workers are solved.

Decision To Execute Hydroelectric Project Made
FL2701210989 Paramaribo International Service in English 1730 GMT 27 Jan 89

[Text] The government has decided to execute the first phase of the Kabalebo hydroelectrical project. The decision was taken yesterday during the special meeting to mark the first anniversary of the current administration. The Kabalebo hydroelectrical project was part of the west Suriname project which was launched shortly after independence by the then-government.

The west Suriname project was aimed at building an industrial city near the Apoera Village in western Suriname. The project was financed from Dutch development aid. The project was, however, stopped by the government shortly after the military takeover in 1980. The then-administration was of the opinion that the west Suriname project was costing too much money and that [words indistinct] project should be launched will soon be productive.

Natural Resources Minister Pretaapnarian Radhakishun will inform the press about the government's decision on Monday.

Repatriation of Refugees To Begin 'Shortly'
FL3101215289 Paramaribo International Service in English 1730 GMT 31 Jan 89

[Text] Shortly, the repatriation of Surinamese refugees from (Trans Guyana) will take place. The repatriation in this case goes to those groups of refugees who voluntarily pledge to return to Suriname. In connection with this, the United Nation's High Commissioner for Refugees has stationed a representative, (Vodin Saint Lorrain) [words indistinct] Guyana and the Surinamese capital, Paramaribo, in order to coordinate the repatriation activities. The French Government, the mediator [words indistinct] expenses for this phase of [word indistinct].